

Exhibit A

Memo to Mel Blackwell, Vice President, Schools and Libraries Division, from Wayne Scott,
Vice President, Internal Audit Division, Re: Independent Auditor's Report on Biblioteca
Abelardo Díaz Alfaro's Compliance with Schools and Libraries Support Mechanism Rules
(USAC Audit No. SL2012BE022)

To: Mel Blackwell, Vice President, Schools and Libraries Division

From: Wayne Scott, Vice President, Internal Audit Division

Date: August 16, 2013

Re: **Independent Auditor's Report on Biblioteca Abelardo Diaz Alfaro's Compliance with Schools and Libraries Support Mechanism Rules (USAC Audit No. SL2012BE022)**

Introduction

The Universal Service Administrative Company (USAC) Internal Audit Division (IAD) performed an audit of Biblioteca Abelardo Diaz Alfaro (Beneficiary), Billed Entity Number (BEN) 16052522, for compliance with the regulations and orders governing the Schools and Libraries Support Mechanism, set forth in 47 C.F.R. Part 54, as well as other program requirements (collectively, the Rules). Compliance with the Rules is the responsibility of the Beneficiary's management. USAC IAD's responsibility is to express a conclusion on the Beneficiary's compliance with the Rules based on our audit.

The Beneficiary is a library system located in San Juan, Puerto Rico that serves over 25,500 patrons.

Purpose and Scope

The purpose of our audit was to determine whether the Beneficiary complied with the Rules. We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards (GAGAS) issued by the Comptroller General of the United States (2011 Revision).¹ Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our objectives.² Our audit included examining, on a test basis, evidence supporting the competitive bidding process undertaken to select the service provider(s), data used to calculate the discount percentage and the type and amount of services received, physical inventory of equipment purchased, as well as performing other procedures we considered necessary to form a conclusion. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our objectives.

¹ See Government Accountability Office, "Government Auditing Standards: December 2011 Revision," GAO-12-331G, § 6.56 (Dec. 2011).

² See *id.* § 6.56.

The following chart summarizes the Schools and Libraries Program support amounts committed and disbursed to the Beneficiary for Funding Year 2010 (audit period):

Service Type	Amount Committed	Amount Disbursed
Internal Connections	\$512,100	\$374,378
Internet Access	\$467,505	\$347,409
Total	\$979,605	\$721,787

Note: The amounts committed and disbursed reflect funding year activity as of the commencement of the audit.

The committed total represents two FCC Form 471 applications with 52 Funding Request Numbers (FRNs). We selected 31 FRNs, which represent \$594,216 of the funds disbursed during the audit period, to perform the procedures enumerated below with respect to the Funding Year 2010 applications submitted by the Beneficiary.

Our procedures were performed to determine whether the Beneficiary complied with the Rules. For the purposes of this report, a finding is a condition that shows evidence of noncompliance with the Rules. An “other matter” is a condition that does not necessarily constitute a rule violation but warrants the Beneficiary and USAC management’s attention.

Conclusion

USAC IAD concludes that the Beneficiary was not compliant with the Rules for the period examined. Our examination disclosed four findings and one other matter. A summary of the procedures and results is included below.

Findings

- Insufficient competitive bidding evaluation process.
- Service provider invoiced USAC for services for the wrong FRN.
- Untimely implementation of non-recurring services.
- Untimely payments to service provider.

Other Matter

- Insufficient Internet Safety Policy.

Exceptions Taken and Recovery Action

Findings	Monetary Effect of Finding	USAC Management Recovery Action
#1 - Insufficient competitive bidding evaluation process.	\$721,784	\$721,784
#2 – Untimely implementation of non-recurring services.	\$42,844	TBD
#3 – Service provider invoiced USAC for services for the wrong FRN.	\$17,091	\$17,091
#4 – Untimely payments to service provider.	\$0	\$0
Total Net Monetary Effect	\$738,878	TBD

Note: The monetary effect and the recovery amounts noted above include exceptions that overlap. To prevent double counting, the maximum recommended recovery is \$721,787 of the \$721,787 disbursed to the Beneficiary.

Audit Procedures, Findings, and Responses

A. Application Process

We obtained an understanding of the Beneficiary's processes relating to the Schools and Libraries Program. Specifically, we examined documentation to support its effective use of funding and that adequate controls exist to ensure funds were used in accordance with the Rules. We used inquiry and direct observation to ensure the Beneficiary was eligible to receive funds and had the necessary resources to support the services for which funding was requested. We also used inquiry to obtain an understanding of the process the Beneficiary used to calculate its discount percentage and validated its accuracy.

We obtained and examined documentation to ensure the Beneficiary complied with the Schools and Libraries Program Children's Internet Protection Act (CIPA) requirements. Specifically, we obtained and evaluated the Beneficiary's Internet Safety Policy. We obtained an understanding of the process by which the Beneficiary communicated and administered the policy.

B. Competitive Bid Process

We obtained and examined documentation to ensure that all bids received were properly evaluated and price was the primary factor considered. We also obtained and examined evidence that the Beneficiary waited the required 28 days from the date the FCC Form 470 was posted on USAC's website before signing contracts with the selected service provider(s). We evaluated the equipment and services requested and purchased for cost effectiveness as well.

C. Invoicing Process

We obtained and examined invoices for which payment was disbursed by USAC to ensure that the equipment and services claimed on the FCC Form 474 Service Provider Invoices (SPIs) and corresponding service provider bills were consistent with the terms and specifications of the service provider agreements. We also examined documentation to ensure the Beneficiary paid its non-discounted share in a timely manner.

D. Site Visits

We performed a physical inventory to evaluate the location and use of equipment and services to ensure it was delivered and installed, located in eligible facilities, and utilized in accordance with the Rules. We evaluated whether the Beneficiary had the necessary resources to support the equipment and services for which funding was requested. We also evaluated the equipment and services purchased by the Beneficiary for cost effectiveness to ensure funding was used in an effective manner.

E. Technology Plan

We obtained an understanding of the Beneficiary's technology planning process and examined the applicable technology plan to ensure it met the criteria set forth in the Rules and examined documentation to ensure it was approved by an independent entity certified by USAC.

F. Reimbursement Process

We obtained and examined invoices submitted for reimbursement for the equipment and services delivered to the Beneficiary and performed procedures to ensure that USAC was invoiced properly. Specifically, we reviewed invoices associated with the SPI forms for equipment and services provided to the Beneficiary. We verified that the equipment and services claimed on the SPI forms and corresponding service provider bills were consistent with the terms and specifications of the service provider agreements and eligible in accordance with the Schools and Libraries Program Eligible Services List.

Our audit findings, including the other matter, as well as the responses to the findings, including the other matter, are provided below. We have evaluated the validity of the Beneficiary's and service provider's (where applicable) responses to our findings, including the other matter, and our position on these issues remains unchanged.

Finding #1 Insufficient Competitive Bidding Evaluation Process

Criteria

1. “[The] FCC Form 471 shall be signed by the person authorized to order telecommunications and other supported services for the eligible school, library, or consortium and shall include that person’s certification under oath that: All bids submitted were carefully considered and the most cost-effective bid for services or equipment was selected, with price being the primary factor considered, and is the most cost-effective means of meeting educational needs and technology plan goals.” 47 C.F.R. § 54.504(c)(1)(xi) (2009).
2. “In selecting a provider of eligible services, schools, libraries, library consortia, and consortia including any of those entities shall carefully consider all bids submitted and must select the most cost-effective service offering. In determining which service offering is the most cost-effective, entities may consider relevant factors other than the pre-discount prices submitted by providers but price should be the primary factor considered.” 47 C.F.R. § 54.511(a) (2009).
3. “[P]rice must be the primary factor in considering bids. Applicants may also take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor.” *In the Matter of the Request of Review of the Administrator’s Decision by Ysleta Ind. Sch. Dist. et al.*, CC Docket Nos. 96-45, 97-21, Order, FCC 03-313, 18 FCC Rd. 26407, 26429, ¶ 50 (2003) (*Ysleta Order*).

Condition

IAD obtained and examined competitive bidding documentation, including the FCC Form 470, service provider bids responding to the Beneficiary’s FCC Form 470, and the Beneficiary’s bid evaluation matrix and notes, to ensure the Beneficiary carefully considered all bids and selected the most cost-effective service offering using price as the primary factor, as required by the Rules (criteria 1 through 3), for the following FRNs:

FRN	Service Type	Commitments	Disbursements
2034873	Internet Access	\$18,261	\$14,751
2034886	Internet Access	\$23,751	\$23,751
2034903	Internet Access	\$18,261	\$0
2034920	Internet Access	\$18,261	\$18,261
2034944	Internet Access	\$18,261	\$17,091
2034967	Internet Access	\$18,261	\$0
2035123	Internet Access	\$18,261	\$18,261
2035158	Internet Access	\$18,261	\$0
2035190	Internet Access	\$18,261	\$18,261

FRN	Service Type	Commitments	Disbursements
2035452	Internal Connections	\$17,439	\$17,439
2035511	Internal Connections	\$55,498	\$40,258
2035550	Internal Connections	\$17,439	\$17,439
2035611	Internal Connections	\$17,439	\$17,439
2035907	Internal Connections	\$17,439	\$0
2035954	Internal Connections	\$17,439	\$0
2035989	Internal Connections	\$17,439	\$0
2036014	Internal Connections	\$17,439	\$17,439
2036057	Internal Connections	\$17,439	\$17,439
2071655	Internet Access	\$18,261	\$18,261
2073459	Internal Connections	\$17,439	\$17,439
2073516	Internal Connections	\$17,439	\$17,439
2073577	Internal Connections	\$17,439	\$17,439
2073612	Internal Connections	\$17,439	\$10,758
2073637	Internal Connections	\$17,439	\$0
2073671	Internal Connections	\$55,498	\$40,258
2073689	Internet Access	\$18,261	\$18,261
2073709	Internal Connections	\$17,439	\$17,439
2073719	Internet Access	\$18,261	\$18,261
2073739	Internal Connections	\$17,439	\$10,758
2073741	Internet Access	\$18,261	\$18,261
2073758	Internet Access	\$18,261	\$14,751
2073768	Internal Connections	\$17,439	\$17,439
2073777	Internet Access	\$18,261	\$0
2073799	Internet Access	\$18,261	\$18,261
2073803	Internal Connections	\$17,439	\$17,439
2073844	Internet Access	\$18,261	\$18,261
2073860	Internet Access	\$18,261	\$0
2073868	Internal Connections	\$17,439	\$17,439
2073881	Internet Access	\$18,261	\$15,921
2073901	Internal Connections	\$17,439	\$17,439
2073917	Internet Access	\$18,261	\$18,261
2073929	Internet Access	\$23,751	\$23,751
2073949	Internet Access	\$18,261	\$18,261
2073970	Internet Access	\$18,261	\$18,261
2073981	Internet Access	\$18,261	\$18,261
2074071	Internal Connections	\$17,439	\$17,439
2074111	Internal Connections	\$17,439	\$0
2074141	Internal Connections	\$17,439	\$17,439
2075827	Internet Access	\$18,261	\$0

FRN	Service Type	Commitments	Disbursements
2075908	Internal Connections	\$17,439	\$10,758
Total		\$979,598	\$721,784

The Beneficiary received three bids for internal connections and Internet access from Educational Services Network, Corporation (EdNet); The Hispanic Information and Telecommunications Network (HitNet); and A New Vision in Educational Services & Materials (NEVESEM) in response to its FCC Form 470 No. 751710000796513 posted on USAC's website.

Based on IAD's review of the Beneficiary's competitive bidding documentation, IAD determined that all bids were not carefully considered and the most cost-effective bid for eligible services and equipment was not selected using price as the primary factor (criteria 1 through 3). IAD determined that NEVESEM, the selected service provider, did not submit the lowest cost bid but was awarded the most favorable score for the cost category on the Beneficiary's bid evaluation matrix. Specifically, NEVESEM's bid quoted a total cost of \$1,089,417 for the Internet access services, cabling, data distribution, equipment, and servers as the Beneficiary requested on the FCC Form 470, and was awarded the maximum 30 points for the cost category on the Beneficiary's bid evaluation matrix. HitNet's bid quoted a total cost of \$431,725 for the requested Internet access services and internal connections. The Beneficiary's bid evaluation matrix's comments for HitNet also noted that the "[b]andwidth [is] sufficient to meet our needs at a reasonable price." However, HitNet was awarded only 20 points for the cost category for the same requested services and equipment. EdNet's bid quoted a total cost of \$1,310,664 and was awarded 10 points for the cost category for the same requested services and equipment. Of the three bids received, HitNet submitted the most cost effective bid; however, it does not appear that the Beneficiary used price as the primary factor when it awarded NEVESEM the most points for the cost category and selected NEVESEM as the most cost-effective service offering as required by the Rules (criteria 1 and 3).

The Beneficiary's bid evaluation matrix also indicated that the Beneficiary assigned scores for the cost factor based on actual prices *and* whether the bidders conducted site visits to the various library locations. Further, the Beneficiary informed IAD that HitNet did not conduct a site visit to the Beneficiary's locations and was awarded less points for the cost category for not inspecting the Beneficiary's locations. The Beneficiary's bid evaluation comments for HitNet noted that "[t]here is no evidence of visits to centers and libraries." However, the bid evaluation comments for HitNet also noted that the "[b]andwidth [is] sufficient to meet our needs at a reasonable price," thus indicating that HitNet could provide the requested Internet access services. The Beneficiary also informed IAD that NEVESEM and EdNet conducted site visits to the Beneficiary's locations, which was considered when determining the number of points to award each bidder for the cost category. The Beneficiary's bid evaluation comments for EdNet noted that "[t]hey physically visited centers and libraries last year" and for NEVESEM, the bid evaluation comments noted that "[t]hey physically visited centers and libraries taking into

account the actual environment and facilities and technologies we currently have.” These comments were included in the cost category of the Beneficiary’s bid evaluation matrix. IAD noted that a site visit to the Beneficiary’s locations was not listed as a requirement in the Beneficiary’s FCC Form 470 nor was it listed as a separate category in the bid evaluation matrix. Further, while applicants may take factors other than price into consideration (criteria 2 and 3); the Beneficiary did not utilize a different category to score site visits and therefore the site visits should not have been considered when awarding scores for the cost category (criteria 2 and 3). Because the scoring for the cost category included another factor other than price of the eligible services and equipment, all bids were not carefully considered with price being the primary factor considered as required by the Rules (criteria 1 and 3).

Cause

The Beneficiary did not have adequate controls and procedures in place to ensure that all bids received were carefully considered, and that the most cost-effective service offering was selected using price as the primary factor, as required by the Rules.

Effect

The monetary effect of this finding is \$721,784.¹ This amount represents the funds disbursed for the FRNs summarized in the Condition section above.

Recommendation

IAD recommends USAC management seek recovery of \$721,784. IAD also recommends USAC management issue a commitment adjustment to rescind the commitments for FRNs 2034903, 2034967, 2035158, 2035907, 2035954, 2035989, 2073637, 2073739, 2073758, 2073777, 2073860, 2074111, 2075827, 2075908, 2073881, 2034944, 2034873, 2035511, 2073612 and 2073671 to prevent any future disbursements for invoices requesting reimbursement for the remaining \$257,814. In addition, IAD recommends the Beneficiary implement controls and procedures to ensure it carefully considers all bids received, and selects the most cost-effective service offering using price as the primary factor considered as required by the Rules.

Beneficiary Response

It is acknowledged that the FCC's rules require applicants to carefully consider all submitted bids prior to entering into a contract, and that the price of eligible products and services must [be] the primary factor in selecting the winning bid. *See* 47 C.F.R. §§ 54.504, 54.511 (2009); 47 C.F.R. §§ 54.503, 54.511 (2011). *See also Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order, 12 FCC Rcd 8776, 9029, [¶] 481 (1997) (*Universal Service First Report and Order*) (subsequent history omitted); *Request for Review by Ysleta Independent School District of the Decision of the Universal Service Administrator*, CC

¹ Due to rounding, there may be minimal differences between the monetary effect and the amounts disbursed as noted on page two of the audit report.

Docket Nos. 96-45, 97-21, Order, 18 FCC Rcd 26407 (2003) (*Ysleta Order*). This[,] however, must include only **eligible submitted bids only**.

As per the same rules, applicants may also consider relevant factors other than the pre-discount prices submitted by providers, such as prior experience, personnel qualifications, management capability, and environmental objectives. When evaluating bids, applicants must have a separate "cost category" and that category must be given more weight than any other single factor.

This is exactly how it was done in FRNs 2034903, 2034967, 2035158, 2035907, 2035954, 2035989, 2073637, 2073739, 2073758, 2073777, 2073860, 2074111, 2075827, 2075908, 2073881, 2034944, 2034873, 2035511, 2073612, and 2073671.

In the *Ysleta Order*, the FCC concluded that price must be the primary factor in selecting a winning bid. This policy differs from the direction given in the *Tennessee Order* in that schools are now required to have a separate "cost category" when evaluating bids, and that category must be given more weight than any other category. The FCC stated that, if, for example, a school assigns 10 points to reputation and 10 points to past experience, the school would be required to assign at least 11 points to price.

As required by rule 47 C.F.R § 54.504(c) (1) (xi), we created a cost-effective bid matrix and selected the company with the highest score. As the attached evaluation matrix [in Exhibit II] shows, pricing and cost/benefits of each provider represented 30 percent of the total evaluation weighting. This was 5 percent higher than the next highest weighted criteria: experience. Within the pricing/cost effectiveness criteria, HitNet was awarded 20 points out of a possible 30, because in the first subsection of this cost effectiveness criteria, it was considered whether the bidder was eligible to "provide telecommunications services" under a USAC contract.

The information provided by HitNet was initially insufficient to determine whether they were an eligible bidder, and as such, they were awarded a 0 in this category. Once it was determined that HitNet was the lowest bidder, a search in the SLD ("Schools and Libraries") program revealed that HitNet had not successfully filed a Form 499 with USAC since 2006. **Accordingly, HitNet could not be considered as an eligible bidder.**

HitNet did not provide a certification that it was a *bona fide* E-Rate Service Provider since 2007, and due diligence was made to determine whether it was just a case of missing documentation, and other libraries or

schools were receiving services from HitNet. No verification was established, and HitNet was deemed ineligible as a provider/vendor.

Although HitNet technically did provide the "lowest bid", price was still considered as the primary factor in our vendor evaluation process, as we selected the lowest-cost eligible provider, NEVESEM.

We are attaching documentation detailing the competitive bidding process regarding cost evaluation criteria, and within said criteria: eligibility to provide services under a USAC contract. Specifically, we considered price among the seven evaluation criteria in our provider/vendor selection process and awarded the contract to NEVESEM, because NEVESEM complied with all of the requirements (such as eligibility) and the established evaluation criteria. HitNet did not. If HitNet had been chosen as vendor/provider of services, we would have been in violation of USAC's rules and regulations.

We are very committed to guarding against waste, fraud, and abuse, and ensuring that funds disbursed through the E-rate program are used for appropriate purposes. This entailed the selection of a qualified, eligible vendor/provider for FRNs 2034903, 2034967, 203518, 2035907, 2035954, 2035989, 2073637, 2073739, 2073758, 2073777, 2073860, 2074111, 2075827, 2073881, 2034944, 2035511, 2073612, and 2073671.

As can be determined, we have implemented the necessary controls and procedures to ensure that we carefully consider all bids received, and have selected the most cost effective service (among the eligible service vendors/providers), offering using price as the primary factor considered as required by the Rules. The evaluation process was a fair and open process, based on the facts that were presented by the service providers and according to FCC Rules. See attached documentation [Exhibits I and II].

USAC IAD Response

While the Beneficiary asserts in its response that it evaluated "whether the bidder was eligible to 'provide telecommunications services' under a USAC contract," the bid evaluation matrix provided by the Beneficiary evaluating this bid criteria was provided only after IAD issued a draft written finding to the Beneficiary recommending recovery of funds disbursed. The bid evaluation matrix provided by the Beneficiary during the course of the audit did not demonstrate this assertion. Specifically, the bid evaluation matrix provided during the course of the audit defined the cost factor as follows:

Cost Effectiveness (You must select the most cost effective proposal. The price will be the main factor of selection).

The bid evaluation matrix provided during the audit did not include “service provider eligibility” as a bid evaluation criterion in the cost factor. However, the Beneficiary’s bid evaluation matrix provided during the course of the audit contained an evaluation factor for experience where the Beneficiary identified HitNet as having “[m]ore than 10 years as a supplier of the e-rate project in Puerto Rico (developing a telecommunications and internet infrastructure).” The Beneficiary did not otherwise evaluate the service providers based on eligibility in the cost, experience, or other bid evaluation factors in the bid evaluation matrix provided during the audit nor did the Beneficiary provide any other documentation during the audit to demonstrate that HitNet had been considered an “ineligible bidder” during its vendor evaluation process. The Beneficiary did not indicate that HitNet was considered “ineligible” until it provided its response to this finding.

IAD disagrees with the Beneficiary’s assertion that HitNet was not an eligible service provider to provide telecommunications services. In its response, the Beneficiary states “a search in the SLD (‘Schools and Libraries’) program revealed that HitNet had not successfully filed a Form 499 with USAC since 2006.” In addition, in its response the Beneficiary states “[w]ithin the pricing/cost effectiveness criteria, HitNet was awarded 20 points out of a possible 30, because in the first subsection of this cost effectiveness criteria, it was considered whether the bidder was eligible to ‘provide telecommunications services’ under a USAC contract.” However, the Beneficiary provided the results of a Service Provider Identification Number (SPIN) search dated August 14, 2013, included as Exhibit I below, that indicates a “Y” in the Form 499 Filer column. According to the results in Exhibit I, the “Y” identifies the service provider as “eligible to provide Telecommunications Services...” for the Schools and Libraries Program. Further, IAD confirmed with USAC management that HitNet has been an eligible service provider without interruption since Funding Year 2003. The FCC Form that HitNet had not filed since Funding Year 2006 was the FCC Form 473, Service Provider Annual Certification (SPAC) Form. A SPAC Form must be on file with USAC prior to submitting FCC Forms 472, Billed Entity Applicant Reimbursement (BEAR), and FCC Forms 474, Service Provider Invoice (SPI), and is submitted by service providers after they have been selected to provide E-rate eligible services and have received a positive Funding Commitment Decision Letter (FCDL).¹ Specifically, the deadline date for filing the FCC Form 473 for a funding year coincides with the last date USAC can be invoiced for that funding year.² In addition, IAD also notes that the Beneficiary did not indicate in its FCC Form 470 that service providers were required to file its FCC Form 473 prior to submitting bids or list any other disqualification factors on FCC Form 470 No. 751710000796513.³

Further, had the Beneficiary utilized the bid evaluation matrix provided with its response to this finding, IAD notes that the Beneficiary weighted “Evidence of Certification in

¹ See *FCC Form 473 Instructions*, Apr. 2007 (OMB-3060-0856) at 2.

² See USAC’s website at <http://www.usac.org/sl/tools/deadlines/default.aspx>.

³ See USAC’s Program Compliance 2010 Schools & libraries Fall Applicant Trainings, at 15 (Fall 2010) available at http://www.usac.org/_res/documents/sl/training/2010/Applicant-Program-Compliance.pdf (providing that applicants must include “any special requirements and/or disqualification factors” on the FCC Form 470).

USAC” as five points and “Exact visit & evaluation of the centers in the service quotation” as 5 points as subsections of the 30-point cost factor.¹ Both of these criteria are not “costs” and the points assigned to these two criteria should not have been included in the 30 points awarded for “cost.” If the 10 points were removed, the Beneficiary’s maximum score for cost would not have exceeded 20 points. Since the maximum of 20 points for “cost” is less than the maximum 25 points weighted for “experience,” the Beneficiary’s bid evaluation matrix provided with its response still would not have considered price as the primary factor as required by the Rules.

Given these circumstances, IAD cannot reasonably rely on the bid evaluation matrix provided in response to the finding as sufficient, appropriate evidence to provide a favorable conclusion for the reasons noted in the condition section above. Therefore, IAD cannot conclude with reasonable confidence that the Beneficiary considered all bids received, and selected the most cost-effective service offering using price as the primary factor considered. As a result, IAD’s position on this finding remains unchanged.

USAC Management Response

The Beneficiary received three bids for internal connections and Internet access from Educational Services Network, Corporation (EdNet), The Hispanic Information and Telecommunications Network (HitNet), and A New Vision in Educational Services & Materials (NEVESEM) in response to its FCC Form 470 No. 751710000796513 posted on USAC’s website.

Based on the auditors’ review of the Beneficiary’s competitive bidding documentation provided during the audit, all bids were not carefully considered using price as the primary factor. Program rules require that price of the eligible goods and services must be the primary factor in evaluating bids. Applicants may also take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. The Beneficiary’s bid evaluation provided during the audit assigned scores for the cost factor based on actual prices *and* whether the bidders conducted site visits to the various library locations. While applicants may take factors other than price into consideration, the other factors should not be included in the same category as price. The Beneficiary did not utilize a different category than price to score site visits and, therefore, price was not the primary factor when selecting the winning service provider.

Two of the bidders appeared to have conducted site visits to the Beneficiary’s locations as indicated on the Beneficiary’s bid evaluation provided during the audit. However, site visits were not listed as a requirement on the Beneficiary’s FCC Form 470 or RFP. Since the Beneficiary failed to state site visits were a requirement on the FCC Form 470 or RFP, the Beneficiary cannot use this criterion to disqualify bidders in its vendor selection evaluation.²

¹ See Exhibit II to the Beneficiary’s response.

² See, e.g., USAC’s Program Compliance 2010 Schools & libraries Fall Applicant Trainings, at 15 (Fall 2010) available at <http://www.usac.org/res/documents/sl/training/2010/Applicant-Program-Compliance.pdf> (providing that applicants must include “any special requirements and/or disqualification factors” on the FCC Form 470).

The Beneficiary's response acknowledges that HitNet provided the lowest bid. However, the Beneficiary responded to the finding by asserting that it evaluated "whether the bidder was eligible to 'provide telecommunications services' under a USAC contract" and provided IAD with a bid evaluation matrix that included this criteria, as well as site visits, in the Beneficiary's cost factor. Further, the Beneficiary stated, "a search in the SLD ('Schools and Libraries') program revealed that HitNet had not successfully filed a Form 499 with USAC since 2006" to explain why HitNet was not selected as the winning vendor. The auditors confirmed with USAC management that HitNet has been an eligible service provider without interruption since Funding Year 2003. The Beneficiary confused the filing of the FCC Form 473, Service Provider Annual Certification (SPAC) Form with the FCC Form 499-A (Annual Telecommunications Reporting Worksheet). Therefore, HitNet was an eligible service provider and its bid should not have been scored lower based on the "eligibility to provide telecommunications" services. In addition, as noted above, the Beneficiary considered this factor and site visits, in its cost factor, although neither of the two factors was related to "cost." Therefore, the Beneficiary did not carefully consider all bids with price being the primary factor as required by the Rules. USAC management concurs with the finding, effect, and recommendation and will seek recovery of \$721,784.

Finding #2

Untimely Implementation of Non-recurring Services

Criteria

1. “Support under this support mechanism is conditional upon the school(s) and library(ies) securing access to all of the resources, including computers, training, software, maintenance, internal connections, and electrical connections necessary to use the services purchased effectively.” 47 C.F.R. § 54.504(b)(2)(vi) (2009).
2. “FCC Form 471 shall be signed by the person authorized to order telecommunications and other supported services for the eligible ... library ...and shall include that person’s certification under oath that: The entities listed on the FCC Form 471 application have secured access to all of the resources, including computers, training, software, maintenance, internal connections, and electrical connections, necessary to make effective use of the services purchased” 47 C.F.R. § 54.504(c)(1)(iii) (2009).
3. “We [FCC] conclude that a lack of necessary resources to use the supported services warrants full recovery of funds disbursed for all relevant funding requests. The requirements that beneficiaries have sufficient computer equipment, software, staff training, internal connections, maintenance and electrical capacity to make use of the supported services are integral to ensuring that these monies are used for their intended purposes, without waste, fraud or abuse.” *In the Matter of Schools & Libraries Universal Service Support Mechanism*, CC Docket No. 02-6, Fifth Report and Order, FCC 04-190, 19 FCC Rcd 15808, 15816 ¶ 22 (2004) (*Fifth Report & Order*).
4. “We expect USAC to deny funds or seek a reimbursement of funds already allocated if it discovers that an applicant has purchased approved, discounted eligible services that it is unable to effectively use due to a lack of necessary resources. For example, an applicant should not have equipment purchased with E-rate funds sitting in storage unused because it did not properly plan for its use of the equipment.” *In the Matter of Requests for Review of Decisions of the Universal Service Administrator by Academy of Excellence*, CC Docket 02-6, Order, FCC 07-60, 22 FCC Rcd 8722, 8729, ¶ 12 (2007).
5. “The deadline for implementation of non-recurring services will be September 30 following the close of the funding year. An applicant may request and receive from the Administrator [USAC] an extension of the implementation deadline for non-recurring services if it satisfies one of the following criteria:
 - (1) The applicant’s funding commitment decision letter is issued by the Administrator on or after March 1 of the funding year for which discounts are authorized;

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- (2) The applicant receives a service provider change authorization or service substitution authorization from the Administrator on or after March 1 of the funding year for which discounts are authorized
 - (3) The applicant's service provider is unable to complete implementation for reasons beyond the service provider's control; or
 - (4) The applicant's service provider is unwilling to complete installation because funding disbursements are delayed while the Administrator investigates their application for program compliance." 47 C.F.R. § 54.507(d) (2009).
6. Pursuant to FCC guidance, when equipment has not been installed before the deadline for implementing non-recurring services, "[r]ecovery depends on the individual situation." Letter from Dana Shaffer, Chief, Wireline Competition Bureau, FCC, to Scott Barash, Acting CEO, USAC, WC Docket No. 02-61R, DA 09-86, 24 FCC Rcd 417 (Jan. 16, 2009) at 3.

Condition

IAD obtained and examined the Beneficiary's asset and inventory records to observe the physical location of equipment purchased and installed for Funding Year 2010 FRNs 2035511 and 2073671 and to ensure that the Beneficiary secured access to the resources necessary to make effective use the services purchased as required by the Rules (see criteria 1-2). IAD performed a physical inventory at Biblioteca Abelardo Diaz Alfaro (for FRN 2073671) and Biblioteca Electronica Estudia Conmigo (for FRN 2035511) and determined that the video conference equipment (LiveSize Room 200 and VBrick) was not installed or in use at either location.

The Funding Commitment Decision Letter (FCDL) for FRNs 2035511 and 2073671 was dated October 13, 2011. The FCDL indicated that the Beneficiary's deadline for implementation of non-recurring services was September 30, 2012 (criterion 5). The Beneficiary did not file a request with USAC seeking an extension of the implementation deadline for the non-recurring services for these FRNs. During the audit, the Beneficiary informed IAD that it did not have the televisions and monitors needed to make effective use of the equipment, as required by the Rules (criteria 1 and 2). However, the Beneficiary certified that it had access to all necessary resources to effectively use the requested equipment and services in February 2010 when it submitted the FCC Form 471 to USAC (see criteria 1 and 2). The Rules require USAC to seek recovery when the applicants do not have the necessary resources to effectively use the SLP funded services and equipment (see criteria 3 and 4).

Prior to completion of the audit in February 2013, the Beneficiary provided IAD with a receipt for two monitors and several photographs of the equipment in use, demonstrating the video conference equipment was installed subsequent to the date of IAD's physical inventory in October 2012.

Cause

The Beneficiary did not demonstrate sufficient knowledge of the Rules requiring applicants to secure all of the the necessary resources to make effective use of the SLP funded equipment and services, as required by the Rules. In addition, the Beneficiary did not demonstrate sufficient knowledge of the Rules governing the implementation deadline for non-recurring services.

Effect

The monetary effect of this finding is \$42,844. This amount represents the amount of funds disbursed for FRNs 2035511 and 2073671 for the video conference equipment as follows:

FRN	Disbursed Amount
2035511	\$21,422
2073671	\$21,422
Total	\$42,844

Recommendation

IAD recommends USAC management seek recovery of \$42,844 because the Beneficiary failed to secure the necessary resources to make effective use of the SLP-funded services and equipment as required by the Rules. IAD recommends the Beneficiary implement controls and procedures to ensure it secures the necessary resources to make effective use of SLP supported equipment and services as required by the Rules. IAD further recommends the Beneficiary implement controls and procedures to ensure that SLP funded non-recurring services are implemented by September 30 following the close of the funding year or submit a request for an extension of the implementation deadline as required by the Rules.

Beneficiary Response

The videoconference equipment was on site. It had been programmed but, due to security concerns, the equipment was stored in a safe place until the necessary resources had been allocated to secure the same. This was done strictly as precaution to avoid theft or damage of the videoconference equipment until it was configured. At the time, a temporary protocol to install, use and then store the equipment was followed.

At this time all of the aforementioned equipment, and the supporting equipment provided by the Municipality of San Juan is in place, and in continuous use. At the time, the temporary protocol was instituted, as 47 C.F.R § 54.507(d), did not specify that the equipment provided could not be stored when not in use for security reasons.

USAC IAD Response

The Beneficiary asserts that “the equipment was stored in a safe place until the necessary resources had been allocated...” The Beneficiary’s response confirms that the necessary resources had not been allocated and, therefore, were not available to implement the non-

recurring services by the September 30, 2012 deadline indicated in the FCDL. The Rules require applicants to have secured all necessary resources to make effective use of the requested services at the time the FCC Form 471 is submitted. Further, the Rules provide that the Beneficiary may request an extension of the implementation deadline for non-recurring services if it meets one of the criteria listed above in criteria 5. The Beneficiary did not request an extension of the implementation deadline from USAC for FRNs 203551 and 2073671. In addition, storing the equipment in a “safe place” does not constitute implementation as required by the Rules. Because the Beneficiary lacked the necessary resources to effectively use the requested services and did not implement the non-recurring services by September 30 following the funding year in which funds were committed by USAC, IAD’s position on this finding remains unchanged.

USAC Management Response

The auditors examined the Beneficiary’s asset and inventory records to observe the physical location of equipment purchased and installed for Funding Year 2010 FRNs 203551 and 2073671 and to ensure that the Beneficiary secured access to the resources necessary to make effective use of the services purchased as required by the Rules. A physical inventory was performed at Biblioteca Abelardo Diaz Alfaro (for FRN 2073671) and Biblioteca Electronica Estudia Connigo (for FRN 203551) and determined that the video conference equipment (LiveSize Room 200 and VBrick) was not installed or in use at either location.

The Funding Commitment Decision Letter (FCDL) for FRNs 203551 and 2073671 was dated October 13, 2011. The FCDL indicated that the Beneficiary’s deadline for implementation of non-recurring services was September 30, 2012. The Beneficiary did not file a request with USAC seeking an extension of the implementation deadline for the non-recurring services for these FRNs. During the audit, the Beneficiary informed IAD that it did not have the televisions and monitors needed to make effective use of the equipment, as required by the Rules. However, the Beneficiary certified that it had access to all necessary resources to effectively use the requested equipment and services when it submitted the FCC Form 471 to USAC in February 2010. Prior to completion of the audit in February 2013, the Beneficiary informed the auditors that two monitors were installed and in use. The Beneficiary also provided several photographs of the equipment in use, demonstrating the video conference equipment was installed subsequent to the auditors’ site visit.

The Rules provide that “[r]ecovery depends on the individual situation” when equipment has not been installed before the deadline for implementing non-recurring services, and require USAC to seek recovery when the applicants do not have the necessary resources to effectively use the SLP funded services and equipment. As noted above, during the audit, the Beneficiary did not have the televisions and monitors needed to make effective use of the requested services. The Beneficiary’s response further acknowledges that the Beneficiary did not have the necessary resources to effectively use these requested services at the time of the audit. The Beneficiary stated it has purchased and installed monitors for both locations since the audit was conducted and the video conferencing equipment is now currently in use. USAC will review the documentation demonstrating

the equipment is in use and if necessary, conduct outreach to the Beneficiary. USAC will then determine if recovery is warranted consistent with FCC rules and orders.

Finding #3
Service Provider Invoiced USAC for Services For the Wrong FRN

Criteria

1. “All service providers eligible to provide telecommunications and other supported services under this subpart shall submit annually a completed FCC Form 473 [Service Provider Annual Certification] to the Administrator.” 47 C.F.R. § 54.504(h) (2009).
2. Service providers must certify on FCC Form 473 that:

“Item (9) - Based on information known to the authorized person or provided to the authorized person by employees responsible for the data being submitted, the authorized person hereby certifies that the data set forth in this Form has been examined and reviewed and is true, accurate and complete.

Item (10) - The invoice forms that are submitted by this service provider contain requests for universal service support for services which have been billed to the service provider’s customers on behalf of schools, libraries and consortia of those entities, as deemed eligible for universal service support by the fund administrator.” *FCC Form 473 Instructions*, Apr. 2007 (OMB 3060-0856), at 3.
3. “The FCC Form 474, Service Provider Invoice Form, is to be completed and submitted by a service provider that has provided discounted eligible services to eligible schools and libraries, in order to seek universal service support in the amount of the discounts. The service provider must have provided the service and given a discounted bill to the applicant prior to submitting the Form 474.” *FCC Form 474 Instructions*, Apr. 2007 (OMB 3060-0856), at 1.
4. The Service Provider may file FCC Form 474 upon occurrence of specific conditions, including:
 - “upon providing the discounted, eligible services to an eligible school, school district, library, library consortium or consortium of multiple entities on or after the effective date of the discounts as set forth in USAC’s acknowledgement of receipt of Form 486;
 - after billing the Form 471 recipient of an FCDL for eligible services, showing the total prediscount amount, the discounted portion, and the applicant’s obligation to pay the undiscounted amount.” *Id.* at 2.
5. “Columns (8) through (14). The information requested in the following columns should be completed for the eligible services in each FRN for which the service provider with the assigned SPIN set forth in Item (2) has delivered

services on or after the effective date of discounts, consistent with the FCDL provided by USAC and for which the service provider has billed the applicant.” *Id.* at 3.

Condition

IAD examined the FCC Forms 474, Service Provider Invoice (SPI) forms, and the corresponding service provider bills provided by the Beneficiary, to ensure USAC was properly invoiced for the supported services received by the Beneficiary as required by the Rules (criteria 1 through 5). The Beneficiary requested and was approved funding for Internet access services for its Centro de las Monjas (Monjas) and Biblioteca Electronica Caimito (Caimito) locations for FRNs 2034903 and 2034944, respectively. Caimito did not receive the requested Internet access services during the Funding Year and the Beneficiary was not billed by the service provider for such services provided at this location. However, the service provider, A New Vision in Educational Services and Materials (NEVESEM), submitted SPI Form No. 1497831 for Internet access services provided to Monjas but the SPI form referenced Caimito’s FRN 2034944, instead of Monjas’ FRN 2034903.

IAD obtained a letter dated February 27, 2013 from the service provider stating “[a]fter your inquiry, we conduct[ed] a review of the invoicing process for the related Libraries for the funding year 2010 and we concluded that due to an involuntary mistake with the FRN number, the ‘Caimito Library’ was invoiced instead of ‘Centro de Estudio y Tecnologia Las Monjas’ with the (BEN-16052468)... We certify that ‘Biblioteca Electronica Caimito’ (BEN -16052522) did not received [sic] the [I]nternet service for the funding year 2010... Las Monjas Library received the internet service from August 2010 to June 2011 for \$17,091.00. The invoice should be made for (Las Monjas) FRN-2034903, not for the Caimito’s FRN- 2034944. Both funds were for the same amount and in the billing process we used the incorrect FRN to invoice the [I]nternet service.”¹ The service provider improperly invoiced USAC for services provided to the incorrect location and incorrect FRN (criteria 1 to 5). USAC disbursed the full amount that was requested on the SPI Form No. 1497831 to the service provider, who had previously issued credits for the requested amount on its bills to the Beneficiary (criteria 1 to 4).

Cause

The service provider did not have adequate controls and procedures in place to ensure that the amounts invoiced to USAC on its SPI form were accurate and included the correct FRN(s) for approved eligible services that were delivered to approved entities, as required by the Rules.

Effect

The monetary effect of this finding is \$17,091. This amount represents the amount that was incorrectly invoiced and disbursed for FRN 2034944.

¹ Letter from Esteban Bentancourt, NEVESEM, to Mrs.[Loyda] Lopez, Municipality of San Juan, (Feb. 27, 2013).

Recommendation

IAD recommends USAC management seek recovery of \$17,091. However, the Beneficiary may be able to file an invoicing deadline extension request with USAC for the FRN that was incorrectly invoiced on SPI form No. 1497831. If the extension is approved, the service provider may submit a SPI form seeking reimbursement of \$17,091 for the proper FRN 2034903. IAD also recommends the service provider implement controls and procedures to ensure that the amounts requested on its SPI forms are accurate and include the correct FRN for approved eligible services provided to approved entities prior to being submitted to USAC for reimbursement.

Beneficiary Response

On February 18, 2010, the library Biblioteca Diaz Alfaro, submitted its request for Internet access service for 25 libraries on Form 471. However, at the time, NEVESEM provided Internet access service to only 19 libraries out of the 25. The funding for those libraries was approved on June 14, 2011 due to delays in the receipt of USAC's funding therein.

Since the Internet Access Service had been provided by NEVESEM for the full year to the 19 libraries, NEVESEM billed retroactively for the aforesaid [sic] services to the 19 libraries. This was done through one invoice. Unfortunately due to an involuntary clerical error on the FRN, NEVESEM incorrectly billed Las Monjas instead of Caimito. However, the services were rendered and payment to NEVESEM was in the exact amount that would have been invoiced to Caimito, with no fiscal impact to the budgeted monies.

Service Provider Response

On June 15th, 2011, twenty-five (25) libraries of BIBLIOTECA ABELARDO DIAZ ALFARO [(BADA)] [(Beneficiary number] 16052522) where [sic] approved for FY 2010. At that time only 20 of the libraries were receiving services from NEVESEM, Inc. Since it was the last month of the funding year 2010, NEVESEM proceeded to bill in one invoice, retroactively, all the months serviced for the year ending on June [30,] 2011. The following table shows the FRN for each of the libraries.

Applicant Name (BEN)	FRN	Form 471	Svc
BIBLIOTECA ABELARDO DIAZ ALFARO (16052522)	2075827	752817	Internet Access
	2073981	752817	
	2073970	752817	
	2073949	752817	
	2073929	752817	
	2073917	752817	
	2073881	752817	

2073860	752817
2073844	752817
2073799	752817
2073777	752817
2073758	752817
2073741	752817
2073719	752817
2073689	752817
2071655	752817
2035190	752817
2035158	752817
2035123	752817
2034967	752817
2034944	752817
2034920	752817
2034903	752817
2034886	752817
2034873	752817

NEVESEM Accounting Department, upon subsequent review of the billing, found we should have billed Las Monjas Library (FRN 2034903), but instead, due to an error in the selection of the FRN, NEVESEM billed Caimito Library FRN-2034944 for the internet service. Las Monjas, one [of] the 25 libraries approved for BADA, received the internet service from August 2010 to June 2011 for \$17,091.00. This is exactly the amount that was erroneously billed to Caimito Library. The amount approved for all the 25 libraries was \$467,505.00 and the amount billed and collected was \$347,409.00. If we exchange the amount billed to Las Monjas for the Caimitos Library the amounts remains [sic] the same. Therefore, this does not represent any waste, fraud or abuse of the USAC funds nor an overbilling to BADA or USAC.

CONCLUSIONS:

1) We strongly disagree with your statement “The service provider did not have adequate controls and procedures in place to ensure that the amounts invoiced to USAC on its SPI form were accurate and included the correct FRN(s) for approved eligible services that were delivered to approved entities, as required by the Rules.”

NEVESEM has adequate “HASH” [number verification] and contract documentation controls in place. Billing of USAC contract amounts is always verified in quantity and conditions of service. The fact that a mistake with the FRN number was not caught by the accounting department staff in this case, does not mean the controls are not in place.

Corrective and disciplinary measures have been taken with the accounting staff to prevent this mistake from occurring again in the future.

2) Amount billed (\$17,091.00) was for services rendered within the contracted amount and to a Library in the BADA group, thus no reimbursement shall be made for this amount.

IAD's Response to Service Provider's Response

IAD agrees that the committed and disbursed amounts for FRNs 2034903 and 2034944 for Internet access services at the Las Monjas and Caimito locations, respectively, are for the same amounts and both locations are eligible to receive SLP funding. However, as stated in criteria 5, the instructions for the FCC Form 474 state: "Columns (8) through (14). The information requested in the following columns should be completed for the eligible services in each FRN for which the service provider with the assigned SPIN set forth in Item (2) has delivered services on or after the effective date of discounts, consistent with the FCDL provided by USAC and for which the service provider has billed the applicant." The service provider did not provide Internet access services to the Caimito location, thus USAC should not have been invoiced under FRN 2034944. As a result, IAD's position on this finding remains unchanged.

USAC Management Response

The service provider, A New Vision in Educational Services and Materials (NEVESEM), submitted SPI Form No. 1497831 for Internet access services provided to Monjas but the SPI form referenced Caimito's FRN 2034944, instead of Monjas' FRN 2034903. The service provider indicated "[a]fter your inquiry, we conduct[ed] a review of the invoicing process for the related Libraries for the funding year 2010 and we concluded that due to an involuntary mistake with the FRN number, the 'Caimito Library' was invoiced instead of 'Centro de Estudio y Tecnologia Las Monjas' with the (BEN-16052468)... We certify that 'Biblioteca Electronica Caimito' (BEN -16052522) did not received [sic] the [I]nternet service for the funding year 2010... Las Monjas Library received the internet service from August 2010 to June 2011 for \$17,091.00. The invoice should be made for (Las Monjas) FRN-2034903, not for the Caimito's FRN- 2034944. Both funds were for the same amount and in the billing process we used the incorrect FRN to invoice the [I]nternet service." NEVESEM's response to the audit finding further explained "[t]he amount billed (\$17,091.00) was for services rendered within the contracted amount and to a Library in the BADA group, thus no reimbursement shall be made for this amount."

USAC acknowledges the service provider's response, however, USAC was improperly billed for services not delivered to an entity. Accordingly, USAC will seek recovery of \$17,091.00 disbursed improperly on FRN 2034944. USAC will provide instruction to the service provider for requesting an invoice extension from USAC, which, if approved, would permit the service provider to invoice USAC for the correct services provided against FRN 2034903. Going forward the service provider should verify its controls and procedures are sufficient to ensure that the amounts requested on its SPI forms are

accurate and include the correct FRN for approved eligible services provided to approved entities prior to being submitted to USAC for reimbursement as required by the Rules. USAC management concurs with the finding, effect and recommendation.

Finding #4

Untimely Payments to Service Provider

Criteria

1. “An eligible school, library, or consortium must pay the non-discount portion of services or products purchased with universal service discounts.” 47 C.F.R. § 54.523 (2009).
2. “We conclude that all funds disbursed should be recovered for any funding requests in which the beneficiary failed to pay its non-discounted share. While our [FCC] rules do not set forth a specific timeframe for determining when a beneficiary has failed to pay its non-discounted share, we conclude that a reasonable timeframe is 90 days after delivery of service. Allowing schools and libraries to delay for an extended time their payment for services would subvert the intent of our rule that the beneficiary must pay, at a minimum, ten percent of the cost of supported services... Accordingly, we clarify prospectively that a failure to pay more than 90 days after completion of service (which is roughly equivalent to three monthly billing cycles) presumptively violates our rule that the beneficiary must pay its share. For purposes of resolving any outstanding issues relating to audits conducted prior to the issuance of this clarification, we direct USAC to determine whether full payment had been made as of the time the audit report was finalized. If any amounts remained outstanding at the conclusion of the audit work, that constitutes a rule violation warranting recovery of all amounts disbursed. Information on payment of the non-discounted share shall be sought from the beneficiary.” *In the Matter of Schools & Libraries Universal Service Support Mechanism*, Fifth Report and Order, CC Docket No. 02-6, FCC 04-190, 19 FCC Rcd 15808, 15816, ¶ 24 (2004) (*Fifth Report and Order*).

Condition

IAD examined service provider bills and check payments to ensure the Beneficiary paid its non-discounted share of services purchased with universal service discounts. The Beneficiary did not pay its non-discounted share to the service provider within the timeframe that the FCC considers to be reasonable and timely (e.g., within 90 days after delivery of service). For Internet access FRNs 2073881, 2073719, 2034944, 2034873, 2035123, 2034886, 2073929, 2073949, 2073981, 2071655, 2073741, 2073917, and 2073970, the service provider billed the Beneficiary monthly for services delivered during Funding Year 2010 (July 1, 2010 through June 30, 2011). However, the Beneficiary did not pay these bills until October 2012 in three separate payments on October 4, 2012, October 5, 2012 and October 22, 2012. For internal connections FRNs 2073459, 2073612, 2073516, 2074071, 2035611, 2036057, 2035452, 2036014, 2035511, 2035550, 2073803, 2073901, 2073577, 2073671, 2073709, 2073768, 2073868 and 2074141, the service provider billed the Beneficiary for equipment purchased during Funding Year 2010 and installed on various dates between October 26, 2011 and April 19, 2012. However the Beneficiary did not pay these bills until October 22, 2012. Although the Beneficiary paid the full amounts of the bills in October 2012, the

Beneficiary did not pay its non-discounted share in a timely manner (e.g., within 90 days after delivery of service), as required by the Rules (criteria 1 and 2).

Cause

The Beneficiary did not have an adequate process in place to ensure service provider bills for discounted services are paid in a timely manner (e.g., within 90 days after delivery of service), as required by the Rules.

Effect

There is no monetary effect for this finding because the Beneficiary paid its non-discounted share to the service provider prior to the completion of the audit. However, by not making payments in a timely manner, there is an increased risk that the Beneficiary may not pay its non-discounted share as required by the Rules.

Recommendation

IAD recommends the Beneficiary implement controls and procedures to ensure that it pays its non-discounted share within a reasonable timeframe (e.g., within 90 days after delivery of service), as required by the Rules.

Beneficiary Response

The beneficiary accepts that unforeseen delays occurred in the payment of its non-discounted share to the service provider prior to the completion of the audit. Payments have now been effected and a system has been put in place to avoid further delays in such payments in the future.

USAC Management Response

The Beneficiary did not dispute the finding that it failed to timely pay (e.g., within 90 days after delivery of service) the required non-discount share. However, because the Beneficiary ultimately paid the non-discount portion, there is no monetary effect and recovery is not warranted.

The Beneficiary has indicated that going forward they will implement a process to ensure timely payment to E-rate providers. USAC management concurs with the finding, effect and recommendation.

Other Matter #1

Insufficient Internet Safety Policy

Criteria

1. “The billed entity for a school that receives discounts for Internet access or internal connections must certify on FCC Form 486 that an Internet safety policy is being enforced.” 47 C.F.R § 54.520(c)(1) (2009).
2. “The Internet safety policy adopted and enforced pursuant to 47 U.S.C. [§] 254(l) must address all of the following issues:
 - (A) Access by minors to inappropriate matter on the Internet and the World Wide Web;
 - (B) The safety and security of minors when using electronic mail, chat rooms, and other forms of direct electronic communications;
 - (C) Unauthorized access, including so-called “hacking” and other unlawful activities by minors online;
 - (D) Unauthorized disclosure, use, and dissemination of personal information regarding minors; and
 - (E) Measures designed to restrict minors’ access to materials harmful to minors.” 47 C.F.R. § 520(c)(1)(ii) (2009).
3. “We [FCC] note, however, that, in certain instances, although the applicant may not have been in technical compliance, there was substantial compliance with the spirit of CIPA requirements... In this case, recovery is not warranted.” Letter from Dana R. Shaffer, Chief, Wireline Competition Bureau to Scott Barash, Acting Chief Executive Officer, USAC, WC Docket No. 02-6, DA-09-86, 24 FCC Rcd 417 (Jan. 16, 2009).

Condition

IAD requested and examined documentation to ensure the Beneficiary complied with the Children’s Internet Protection Act (CIPA) requirements. Based on IAD’s review of the Beneficiary’s Internet Safety Policy (ISP), IAD determined that the Beneficiary’s ISP did not adequately address element C, *Unauthorized access, including so-called “hacking” and other unlawful activities by minors online*, or how this element would be enforced, as required by the Rules (criteria 1 and 2). The Beneficiary provided IAD with its *Internet Security Policy for Libraries* that addresses element C by stating that the Beneficiary prevents the misuse of the network, including “unauthorized access, including so-called ‘hacking,’ and other unlawful activities...” However, the ISP did not explain how the Beneficiary would prevent unauthorized access and other unlawful activities by minors or how element C would be enforced.

As a result of the Beneficiary’s inability to provide an explanation or documentation on how unauthorized access and other unlawful activities by minors is addressed or how element C of its ISP is enforced, IAD was unable to conclude that the Beneficiary was technically compliant with all of the CIPA requirements. However, because the

Beneficiary had an ISP and a filter to monitor Internet content, the Beneficiary was in substantial compliance with the spirit of the CIPA requirements (criterion 3).

Cause

The Beneficiary did not demonstrate sufficient knowledge of the elements that must be addressed in the Internet safety policy and how the elements are enforced, as required by the Rules.

Effect

There is no monetary effect associated with this other matter. While the Beneficiary may not have been in technical compliance with all of the CIPA requirements, the Beneficiary substantially complied with the spirit of the CIPA requirements.

Recommendation

IAD recommends the Beneficiary revise its current ISP to ensure that the Beneficiary defines how all five required elements will be addressed and enforced, as required by the Rules.

Beneficiary Response

At the time of the review, which occurred during the one year grace period provided by the rules and regulations, the library Biblioteca Abelardo Diaz Alfaro, was in the process of instituting an Internet Safety Protocol that included all aspects provided in rule 47 C.F.R § 54.520 (c) (1). The protocol and policies for internet security and safety pursuant to CIPA has been finalized and put in place accordingly. A copy of the Internet Safety Protocol and Policies is hereby attached [copy provided to USAC management].

USAC Management Response

Based on the auditors' review of the Beneficiary's Internet Safety Policy (ISP), they determined that the Beneficiary's ISP did not adequately address element C, *Unauthorized access, including so-called "hacking" and other unlawful activities by minors online*, or how this element would be enforced, as required by the Rules. The Beneficiary provided the auditors with its *Internet Security Policy for Libraries* which addresses element C by stating that the Beneficiary prevents the misuse of the network, including "unauthorized access, including so-called 'hacking' and other unlawful activities..." However, the ISP did not explain how the Beneficiary would prevent unauthorized access and other unlawful activities by minors or how element C would be enforced.

While the Beneficiary's ISP did not discuss implementing an Internet filter, the Beneficiary had a filter in place. Therefore, the Beneficiary was substantially compliant with the spirit of the CIPA requirements and recovery is not warranted. The Beneficiary provided a response to the finding stating that "the protocol and policies for internet security and safety pursuant to CIPA has been finalized and put in place accordingly." USAC management concurs with the other matter, effect and recommendation.

This concludes the results of our audit. Certain information may have been omitted from this report concerning communications with USAC management or other officials and/or details about internal operating processes or investigations. This report is intended solely for the use of USAC, the Beneficiary, and the FCC and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of those procedures for their purposes. This report is not confidential and may be released to a requesting third party without restriction.

cc: Mr. D. Scott Barash, USAC Acting Chief Executive Officer
Mr. David Capozzi, USAC Acting General Counsel

Exhibit I:

SPIN Contact Search Results

Page 1 of 1

SLO Home	Site Map	Search Site	Contact SLO
Reference Area - Schools and Libraries Division			

Reference SPIN and BEAR Contact Search Results

Guidance on determining if a company is eligible to provide telecommunications services:

Form 499 Filer column indicates "Y":

- This service provider has successfully filed a Form 499 with USAC. Telecommunications providers with a "Y" are eligible to provide Telecommunications Services and Internet service providers with a "Y" are eligible to provide Interconnected Voice over Internet Protocol (VoIP) services.

All other designations:

- Some service providers that do not have a "Y" designation are eligible to provide Telecommunications Services because they meet certain conditions and are exempt from filing a Form 499. You can [contact the Client Service Bureau](#) to determine if the company has met those conditions.

Form 499 Filer column indicates "X":

- This service provider has been researched by USAC and is not eligible to provide Telecommunications Services.

Form 499 Filer column indicates "Z":

- This service provider is currently being researched by USAC to determine if it is eligible to provide Telecommunications Services.

Form 499 Filer column is blank:

- This service provider has not been researched and its status is unverified.

Applicants are reminded that they should confirm this and all other information with the service provider.

Page 1 of 1
Results 1 - 1 of 1

SPIN	Service Provider Name	Doing Business As	Contact Name	Contact Address	Contact Phone	Form 499 Filer	SPAC Filed
143006644	Hispanic Information and Telecommunications Network, Inc.		Deirdre R Bennett	83 Flushing Avenue Unit 281, Brooklyn, NY 11205	212068-5860	Y	1998 1999 2000 2001 2002 2003 2004 2005 2006

[New Search](#) [Done](#)

Questions about the SLO Program? Call our Client Service Bureau at (888) 203-8100.

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http://www.sl.universalservice.org/Forms/SPIN>Contact_Display.asp

8/14/2013

Exhibit II:

**Guidelines of Bidding Process
2010-2011**

1. Cost Effective Criterion

- Evidence of Certification in USAC
- Evidence of being able to provide service
- Services per-cost offered in proposal
- Quality of service vs. cost
- Wide band
- Exact visit & evaluation of the centers in the service quotation

2. Personnel Qualifications Criterion

- Personnel with Educative knowledge
- Response time from the personnel
- Certified personnel in technological areas
- Personnel with knowledge of E-rate proposal

3. Managerial Capacity Criterion

- Administrative knowledge of E-rate proposal
- Capacity for invoicing the Municipality

4. Availability

- 24/7 Situation Response

Guidelines of Bidding Process 2010-2011

5. Experience

- Years of experience in Educative service
- Years of experience with E-rate proposals
- Years offering Technological services
- Telecommunications knowledge
- Experience in offering services to Municipalities

6. Added-value Criterion

- Benefits

7. Local Vendor Criterion

- Operating office available within area of service

**Guidelines of Bidding Process
2010-2011**

1 .Criterios de Costo Efectividad	Valor	Ed-Net	Nevesem, Inc	HITNET
Evidencia de certificación en USAC	5	5	5	0
Evidencia de poder brindar el servicio	5	0	5	5
Servicios por costo ofrecidos en propuesta	5	0	5	5
Calidad de servicio vs costo	5	0	5	5
Ancho de Banda	5	0	5	5
Evaluación de los centros real que proporciona exactitud en la cotización del servicio	5	5	5	0
Total	30	10	30	20

2. Criterios Cualificaciones del Personal	Valor	Ed-Net	Nevesem, Inc	HITNET
Personal con conocimiento educativo	5	2	3	2
Tiempo de respuesta del personal	5	3	2	3
Personal Certificado en áreas tecnológicas	5	5	5	5
Personal con conocimiento de la Propuesta E-rate	5	5	5	5
Total	20	15	15	15

3. Criterios Capacidad Gerencial y Técnica	Valor	Ed-Net	Nevesem, Inc	HITNET
Conocimiento administrativo de la propuesta E-rate	5	5	5	5
Capacidad de facturar al Municipio	5	4	5	5
Total	10	9	10	10

4. Disponibilidad	Valor	Ed-Net	Nevesem, Inc	HITNET
Respuesta ante situaciones 24/7	5	5	5	5
Total	5	5	5	5

5. Experiencia	Valor	Ed-Net	Nevesem, Inc	HITNET
Años de experiencia en el servicio educativo	5	0	5	0
Años de experiencia en propuesta E-rate	5	2	5	5

**Guidelines of Bidding Process
2010-2011**

Años brindadndo servicio tecnológico	5	2	5	5
Conocimiento en telecomunicaciones	5	1	5	5
Experiencia brindando servicio a Municipios	5	5	5	0
Total	25	10	25	15

6. Criterios Valor Añadido	Valor	Ed-Net	Nevesem, Inc	HITNET
Beneficios	5	4	5	5
Total	5	4	5	5

7. Local Vendor	Valor	Ed-Net	Nevesem, Inc	HITNET
Tienen oficina de operaciones en el área de servicio	5	3	5	3
Total	5	3	5	3

Total	100	56	95	73
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San Juan, Capital City
Family and Community Department
Educational and Technological Services Program
Evaluation and Selection Criterion for E-Rate Proposal 2010-2011, established by Universal Service Administrative Company (USAC)

USAC established Criterion	Points	Ed-Net	Points	NEVESEM, INC.	Points	HITNET	Points
1. Cost Effective (It will be chosen the most cost effective proposal, price should be the principal factor in the selection.)	30	<ul style="list-style-type: none"> • SLD (School/Libraries Division): \$1,310,066.40 Municipality 10%: \$131,066.40 • Visited Centers & Libraries last year. 	10	<ul style="list-style-type: none"> • SLD (School/Libraries Division): \$108,949.00 Municipality 10%: \$ 10,894.90 • Physically visited Centers & Libraries taking into consideration the structure, verifying installations and available actual technology. • Sufficient Wide Band to address our necessities at reasonable price. 	30	<ul style="list-style-type: none"> • SLD (School/Libraries Division): \$142,710.00 Municipality 10%: \$14,271.00 • There is no evidence of visits to Centers & Libraries. • Wide band is sufficient to address our necessities at reasonable price. 	20
2. Personnel Qualifications	20	<ul style="list-style-type: none"> • They have certified personnel in Technological Areas. 	15	<ul style="list-style-type: none"> • They have certified personnel in Technological and Educational Areas. 	15	<ul style="list-style-type: none"> • They have certified personnel in Technological Areas. 	15
3. Managerial Capacity	10	<ul style="list-style-type: none"> • Administrative knowledge and Certified Technical personnel. • Specialization in everything related to E-rate project. 	9	<ul style="list-style-type: none"> • Administrative Knowledge and Certified Technical personnel. • Specialization in everything related to E-rate project. • Collaboration in the development, implementation & maintenance of our Technological Plan and in the accomplishment of all the requisites of the E-rate project. 	10	<ul style="list-style-type: none"> • Administrative knowledge and Certified Technical Personnel. • Specialization in everything related to E-rate project. • Collaboring in answering SLD questions. • Collaboration in the development, implementation & maintenance of our Technological Plan and the accomplishment of all requisites of the E-rate project. 	10
4. Availability	5	<ul style="list-style-type: none"> • Available 24/7 	5	<ul style="list-style-type: none"> • Available 24/7. 	5	<ul style="list-style-type: none"> • Available 24/7. 	5
5. Experience	25	<ul style="list-style-type: none"> • Experience in support Services & Technological infrastructure. • It could not be determined amount of years of experience. 	10	<ul style="list-style-type: none"> • More than 15 years serving the Educational system in Puerto Rico. • More than 10 years as an E-rate supplier (Development of infrastructure of telecommunications & internet). • 99% achievement in reimbursement of the phone bill. • Contracting Plan of two (2) lines (Primary & back-up). In case one fails. • Oceanic Data Base & Book's Cataloging System (Mandarin/Dialect). • Help desk, Technical assistance 24/7. • Monitoring of lines to ensure quality service. • Monthly preventive visits to detect any problems. • Bibliotechnology Consultation. • Catalogue & pages in line. 	25	<ul style="list-style-type: none"> • More than 10 years as a supplier of the E-rate project in Puerto Rico (Developing a telecommunications & internet infrastructure). 	15
6. Additional Benefits	5	<ul style="list-style-type: none"> • Do not present Educational products. • Will be delivered, not in proposal, a promised verbally. • Promoted verbally, not in proposal, a tutor, teacher &/or student for each Center. • Offered Internet Services & Internet training. 	4	<ul style="list-style-type: none"> • Training to teachers, librarians & parents. • Digital Advertising. • Educational Channel (WTTN). • Support Educational Programs & tutoring. • Mobile Laboratories. • Education at a Distance. • Content filters in the Internet Web Sense, which complies 100% with Federal Law, Children Internet Protection Act (CIPA). 	5	<ul style="list-style-type: none"> • Training to teachers, librarians & parents. • Digital Advertising. • Educational Channel (WTTN). • Support Educational Programs & tutoring. • Mobile Laboratories. • Education at a Distance. • Content filters in the Internet Web Sense, which complies 100% with Federal Law, Children Internet Protection Act (CIPA). 	5
7. Local Vendor	5	<ul style="list-style-type: none"> • Municipality of Juncos depends on Corporate Telephone for Technical Support and Connectivity. 	3	<ul style="list-style-type: none"> • Bo. Quebrada Arenas, San Juan 	5	<ul style="list-style-type: none"> • Puerta de Tierra- NY 	3
TOTAL	100	TOTAL	56	TOTAL	95	TOTAL	73

Exhibit B

Notification of Commitment Adjustment Letter from Schools and Libraries Division, Universal Services Administrative Company, to Jose M. Valentin, Biblioteca Abelardo Díaz Alfaro, Funding Year 2010, Form 471 Application Number 753259, dated Nov. 27, 2013



Schools and Libraries Division

Notification of Commitment Adjustment Letter

Funding Year 2010: July 1, 2010 - June 30, 2011

November 27, 2013

JOSE M. VALENTIN
BIBLIOTECA ABELARDO DIAZ ALFARO
PO BOX 70179
SAN JUAN, PR 00917

Re: Form 471 Application Number:	753259
Funding Year:	2010
Applicant's Form Identifier:	16052522-10-02
Billed Entity Number:	16052522
FCC Registration Number:	0019729235
SPIN:	143022659
Service Provider Name:	A New Vision in Educational Services &
Service Provider Contact Person:	Ricardo Dreyfous

Our routine review of Schools and Libraries Program (Program) funding commitments has revealed certain applications where funds were committed in violation of Program rules.

In order to be sure that no funds are used in violation of Program rules, the Universal Service Administrative Company (USAC) must now adjust your overall funding commitment. The purpose of this letter is to make the required adjustments to your funding commitment, and to give you an opportunity to appeal this decision. USAC has determined the applicant is responsible for all or some of the violations. Therefore, the applicant is responsible to repay all or some of the funds disbursed in error (if any).

This is NOT a bill. If recovery of disbursed funds is required, the next step in the recovery process is for USAC to issue you a Demand Payment Letter. The balance of the debt will be due within 30 days of that letter. Failure to pay the debt within 30 days from the date of the Demand Payment Letter could result in interest, late payment fees, administrative charges and implementation of the "Red Light Rule." The FCC's Red Light Rule requires USAC to dismiss pending FCC Form 471 applications if the entity responsible for paying the outstanding debt has not paid the debt, or otherwise made satisfactory arrangements to pay the debt within 30 days of the notice provided by USAC. For more information on the Red Light Rule, please see "Red Light Frequently Asked Questions (FAQs)" posted on the FCC website at http://www.fcc.gov/debt_collection/faq.html.

TO APPEAL THIS DECISION:

You have the option of filing an appeal with USAC or directly with the Federal Communications Commission (FCC).

If you wish to appeal the Commitment Adjustment Decision indicated in this letter to USAC your appeal must be received or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and email address (if available) for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Identify the date of the Notification of Commitment Adjustment Letter and the Funding Request Number(s) (FRN) you are appealing. Your letter of appeal must include the
 - Billed Entity Name,
 - Form 471 Application Number,
 - Billed Entity Number, and
 - FCC Registration Number (FCC RN) from the top of your letter.
3. When explaining your appeal, copy the language or text from the Notification of Commitment Adjustment Letter that is the subject of your appeal to allow USAC to more readily understand your appeal and respond appropriately. Please keep your letter to the point, and provide documentation to support your appeal. Be sure to keep a copy of your entire appeal including any correspondence and documentation.
4. If you are an applicant, please provide a copy of your appeal to the service provider(s) affected by USAC's decision. If you are a service provider, please provide a copy of your appeal to the applicant(s) affected by USAC's decision.
5. Provide an authorized signature on your letter of appeal.

To submit your appeal to us on paper, send your appeal to:

Letter of Appeal
Schools and Libraries Division - Correspondence Unit
100 S. Jefferson Rd.
P. O. Box 902
Whippany, NJ 07981

For more information on submitting an appeal to USAC, please see the "Appeals Procedure" posted on our website.

If you wish to appeal a decision in this letter to the FCC, you should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be received by the FCC or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. We strongly recommend that you use the electronic filing options described in the "Appeals Procedure" posted on our website. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554.

FUNDING COMMITMENT ADJUSTMENT REPORT

On the pages following this letter, we have provided a Funding Commitment Adjustment Report (Report) for the Form 471 application cited above. The enclosed Report includes the Funding Request Number(s) from your application for which adjustments are necessary. See the "Guide to USAC Letter Reports" posted at <http://usac.org/sl/tools/reference/guide-usac-letter-reports.aspx> for more information on each of the fields in the Report. USAC is also sending this information to your service provider(s) for informational purposes. If USAC has determined the service provider is also responsible for any rule violation on the FRN(s), a separate letter will be sent to the service provider detailing the necessary service provider action.

Note that if the Funds Disbursed to Date amount is less than the Adjusted Funding Commitment amount, USAC will continue to process properly filed invoices up to the Adjusted Funding Commitment amount. Review the Funding Commitment Adjustment Explanation in the attached Report for an explanation of the reduction to the commitment(s). Please ensure that any invoices that you or your service provider(s) submits to USAC are consistent with Program rules as indicated in the Funding Commitment Adjustment Explanation. If the Funds Disbursed to Date amount exceeds your Adjusted Funding Commitment amount, USAC will have to recover some or all of the disbursed funds. The Report explains the exact amount (if any) the applicant is responsible for repaying.

Schools and Libraries Division
Universal Services Administrative Company

cc: Ricardo Dreyfous
A New Vision in Educational Services & Materials (NEVESEM)

**Funding Commitment Adjustment Report for
Form 471 Application Number: 753259**

Funding Request Number:	2073612
Services Ordered:	INTERNAL CONNECTIONS
SPIN:	143022659
Service Provider Name:	A New Vision in Educational Services &
Contract Number:	03-16052506-10
Billing Account Number:	03-16052506
Site Identifier:	16052522
Original Funding Commitment:	\$17,439.30
Commitment Adjustment Amount:	\$17,439.30
Adjusted Funding Commitment:	\$0.00
Funds Disbursed to Date	\$17,439.30
Funds to be Recovered from Applicant:	\$17,439.30
Funding Commitment Adjustment Explanation:	

During an audit it has been determined that this funding commitment must be rescinded in full. The auditors reviewed the Beneficiarys competitive bidding documentation and determined all bids were not carefully considered using price as the primary factor. FCC rules require that price of the eligible goods and services must be the primary factor in evaluating bids. Applicants may also take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. The Beneficiarys bid evaluation provided during the audit assigned scores for the cost factor based on actual prices and whether the bidders conducted site visits to the various library locations. While applicants may take factors other than price into consideration, the other factors should not be included in the same category as price. The Beneficiary did not utilize a different category than price to score site visits and, therefore, price was not the primary factor when selecting the winning service provider. In addition, two of the bidders appeared to have conducted site visits to the Beneficiarys locations as indicated on the Beneficiarys bid evaluation provided during the audit. However, site visits were not listed as a requirement on the Beneficiarys FCC Form 470 or RFP. Since the Beneficiary failed to state site visits were a requirement on the FCC Form 470 or RFP, the Beneficiary cannot use this criterion to disqualify bidders in its vendor selection evaluation. Since price was not the primary factor in the vendor selection process, the commitment has been rescinded in full and USAC will seek recovery of any improperly disbursed funds from the applicant.

Funding Request Number: 2073637
Services-Ordered: INTERNAL CONNECTIONS
SPIN: 143022659
Service Provider Name: A New Vision in Educational Services &
Contract Number: 03-16052526-10
Billing Account Number: 03-16052526
Site Identifier: 16052522
Original Funding Commitment: \$17,439.30
Commitment Adjustment Amount: \$17,439.30
Adjusted Funding Commitment: \$0.00
Funds Disbursed to Date \$0.00
Funds to be Recovered from Applicant: \$0.00
Funding Commitment Adjustment Explanation:

During an audit it has been determined that this funding commitment must be rescinded in full. The auditors reviewed the Beneficiarys competitive bidding documentation and determined all bids were not carefully considered using price as the primary factor. FCC rules require that price of the eligible goods and services must be the primary factor in evaluating bids. Applicants may also take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. The Beneficiarys bid evaluation provided during the audit assigned scores for the cost factor based on actual prices and whether the bidders conducted site visits to the various library locations. While applicants may take factors other than price into consideration, the other factors should not be included in the same category as price. The Beneficiary did not utilize a different category than price to score site visits and, therefore, price was not the primary factor when selecting the winning service provider. In addition, two of the bidders appeared to have conducted site visits to the Beneficiarys locations as indicated on the Beneficiarys bid evaluation provided during the audit. However, site visits were not listed as a requirement on the Beneficiarys FCC Form 470 or RFP. Since the Beneficiary failed to state site visits were a requirement on the FCC Form 470 or RFP, the Beneficiary cannot use this criterion to disqualify bidders in its vendor selection evaluation. Since price was not the primary factor in the vendor selection process, the commitment has been rescinded in full and USAC will seek recovery of any improperly disbursed funds from the applicant.

Funding Request Number:	2073671
Services Ordered:	INTERNAL CONNECTIONS
SPIN:	143022659
Service Provider Name:	A New Vision in Educational Services &
Contract Number:	03-16052522-10
Billing Account Number:	03-16052522
Site Identifier:	16052522
Original Funding Commitment:	\$55,497.93
Commitment Adjustment Amount:	\$55,497.93
Adjusted Funding Commitment:	\$0.00
Funds Disbursed to Date	\$54,561.60
Funds to be Recovered from Applicant:	\$54,561.60
Funding Commitment Adjustment Explanation:	

During an audit it has been determined that this funding commitment must be rescinded in full. The auditors reviewed the Beneficiarys competitive bidding documentation and determined all bids were not carefully considered using price as the primary factor. FCC rules require that price of the eligible goods and services must be the primary factor in evaluating bids. Applicants may also take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. The Beneficiarys bid evaluation provided during the audit assigned scores for the cost factor based on actual prices and whether the bidders conducted site visits to the various library locations. While applicants may take factors other than price into consideration, the other factors should not be included in the same category as price. The Beneficiary did not utilize a different category than price to score site visits and, therefore, price was not the primary factor when selecting the winning service provider. In addition, two of the bidders appeared to have conducted site visits to the Beneficiarys locations as indicated on the Beneficiarys bid evaluation provided during the audit. However, site visits were not listed as a requirement on the Beneficiarys FCC Form 470 or RFP. Since the Beneficiary failed to state site visits were a requirement on the FCC Form 470 or RFP, the Beneficiary cannot use this criterion to disqualify bidders in its vendor selection evaluation. Since price was not the primary factor in the vendor selection process, the commitment has been rescinded in full and USAC will seek recovery of any improperly disbursed funds from the applicant.

Funding Request Number: 2073709
Services Ordered: INTERNAL CONNECTIONS
SPIN: 143022659
Service Provider Name: A New Vision in Educational Services &
Contract Number: 03-16052507-10
Billing Account Number: 03-16052507
Site Identifier: 16052522
Original Funding Commitment: \$17,439.30
Commitment Adjustment Amount: \$17,439.30
Adjusted Funding Commitment: \$0.00
Funds Disbursed to Date \$17,439.30
Funds to be Recovered from Applicant: \$17,439.30
Funding Commitment Adjustment Explanation:

During an audit it has been determined that this funding commitment must be rescinded in full. The auditors reviewed the Beneficiarys competitive bidding documentation and determined all bids were not carefully considered using price as the primary factor. FCC rules require that price of the eligible goods and services must be the primary factor in evaluating bids. Applicants may also take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. The Beneficiarys bid evaluation provided during the audit assigned scores for the cost factor based on actual prices and whether the bidders conducted site visits to the various library locations. While applicants may take factors other than price into consideration, the other factors should not be included in the same category as price. The Beneficiary did not utilize a different category than price to score site visits and, therefore, price was not the primary factor when selecting the winning service provider. In addition, two of the bidders appeared to have conducted site visits to the Beneficiarys locations as indicated on the Beneficiarys bid evaluation provided during the audit. However, site visits were not listed as a requirement on the Beneficiarys FCC Form 470 or RFP. Since the Beneficiary failed to state site visits were a requirement on the FCC Form 470 or RFP, the Beneficiary cannot use this criterion to disqualify bidders in its vendor selection evaluation. Since price was not the primary factor in the vendor selection process, the commitment has been rescinded in full and USAC will seek recovery of any improperly disbursed funds from the applicant.

Funding Request Number: 2073739
Services Ordered: INTERNAL CONNECTIONS
SPIN: 143022659
Service Provider Name: A New Vision in Educational Services &
Contract Number: 03-16052508-10
Billing Account Number: 03-16052508
Site Identifier: 16052522
Original Funding Commitment: \$17,439.30
Commitment Adjustment Amount: \$17,439.30
Adjusted Funding Commitment: \$0.00
Funds Disbursed to Date \$17,439.30
Funds to be Recovered from Applicant: \$17,439.30
Funding Commitment Adjustment Explanation:

During an audit it has been determined that this funding commitment must be rescinded in full. The auditors reviewed the Beneficiarys competitive bidding documentation and determined all bids were not carefully considered using price as the primary factor. FCC rules require that price of the eligible goods and services must be the primary factor in evaluating bids. Applicants may also take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. The Beneficiarys bid evaluation provided during the audit assigned scores for the cost factor based on actual prices and whether the bidders conducted site visits to the various library locations. While applicants may take factors other than price into consideration, the other factors should not be included in the same category as price. The Beneficiary did not utilize a different category than price to score site visits and, therefore, price was not the primary factor when selecting the winning service provider. In addition, two of the bidders appeared to have conducted site visits to the Beneficiarys locations as indicated on the Beneficiarys bid evaluation provided during the audit. However, site visits were not listed as a requirement on the Beneficiarys FCC Form 470 or RFP. Since the Beneficiary failed to state site visits were a requirement on the FCC Form 470 or RFP, the Beneficiary cannot use this criterion to disqualify bidders in its vendor selection evaluation. Since price was not the primary factor in the vendor selection process, the commitment has been rescinded in full and USAC will seek recovery of any improperly disbursed funds from the applicant.

Funding Request Number: 2073768
Services Ordered: INTERNAL CONNECTIONS
SPIN: 143022659
Service Provider Name: A New Vision in Educational Services &
Contract Number: 03-16052513-10
Billing Account Number: 03-16052513
Site Identifier: 16052522
Original Funding Commitment: \$17,439.30
Commitment Adjustment Amount: \$17,439.30
Adjusted Funding Commitment: \$0.00
Funds Disbursed to Date \$17,439.30
Funds to be Recovered from Applicant: \$17,439.30
Funding Commitment Adjustment Explanation:

During an audit it has been determined that this funding commitment must be rescinded in full. The auditors reviewed the Beneficiarys competitive bidding documentation and determined all bids were not carefully considered using price as the primary factor. FCC rules require that price of the eligible goods and services must be the primary factor in evaluating bids. Applicants may also take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. The Beneficiarys bid evaluation provided during the audit assigned scores for the cost factor based on actual prices and whether the bidders conducted site visits to the various library locations. While applicants may take factors other than price into consideration, the other factors should not be included in the same category as price. The Beneficiary did not utilize a different category than price to score site visits and, therefore, price was not the primary factor when selecting the winning service provider. In addition, two of the bidders appeared to have conducted site visits to the Beneficiarys locations as indicated on the Beneficiarys bid evaluation provided during the audit. However, site visits were not listed as a requirement on the Beneficiarys FCC Form 470 or RFP. Since the Beneficiary failed to state site visits were a requirement on the FCC Form 470 or RFP, the Beneficiary cannot use this criterion to disqualify bidders in its vendor selection evaluation. Since price was not the primary factor in the vendor selection process, the commitment has been rescinded in full and USAC will seek recovery of any improperly disbursed funds from the applicant.

Funding Request Number:	2073803
Services Ordered:	INTERNAL CONNECTIONS
SPIN:	143022659
Service Provider Name:	A New Vision in Educational Services &
Contract Number:	03-16052638-10
Billing Account Number:	03-16052638
Site Identifier:	16052522
Original Funding Commitment:	\$17,439.30
Commitment Adjustment Amount:	\$17,439.30
Adjusted Funding Commitment:	\$0.00
Funds Disbursed to Date	\$17,438.80
Funds to be Recovered from Applicant:	\$17,438.80
Funding Commitment Adjustment Explanation:	

During an audit it has been determined that this funding commitment must be rescinded in full. The auditors reviewed the Beneficiarys competitive bidding documentation and determined all bids were not carefully considered using price as the primary factor. FCC rules require that price of the eligible goods and services must be the primary factor in evaluating bids. Applicants may also take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. The Beneficiarys bid evaluation provided during the audit assigned scores for the cost factor based on actual prices and whether the bidders conducted site visits to the various library locations. While applicants may take factors other than price into consideration, the other factors should not be included in the same category as price. The Beneficiary did not utilize a different category than price to score site visits and, therefore, price was not the primary factor when selecting the winning service provider. In addition, two of the bidders appeared to have conducted site visits to the Beneficiarys locations as indicated on the Beneficiarys bid evaluation provided during the audit. However, site visits were not listed as a requirement on the Beneficiarys FCC Form 470 or RFP. Since the Beneficiary failed to state site visits were a requirement on the FCC Form 470 or RFP, the Beneficiary cannot use this criterion to disqualify bidders in its vendor selection evaluation. Since price was not the primary factor in the vendor selection process, the commitment has been rescinded in full and USAC will seek recovery of any improperly disbursed funds from the applicant.

Funding Request Number: 2073868
~~Services Ordered:~~ INTERNAL CONNECTIONS
SPIN: 143022659
Service Provider Name: A New Vision in Educational Services &
Contract Number: 03-16052512-10
Billing Account Number: 03-16052512
Site Identifier: 16052522
Original Funding Commitment: \$17,439.30
Commitment Adjustment Amount: \$17,439.30
Adjusted Funding Commitment: \$0.00
Funds Disbursed to Date \$17,439.30
Funds to be Recovered from Applicant: \$17,439.30
Funding Commitment Adjustment Explanation:

During an audit it has been determined that this funding commitment must be rescinded in full. The auditors reviewed the Beneficiarys competitive bidding documentation and determined all bids were not carefully considered using price as the primary factor. FCC rules require that price of the eligible goods and services must be the primary factor in evaluating bids. Applicants may also take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. The Beneficiarys bid evaluation provided during the audit assigned scores for the cost factor based on actual prices and whether the bidders conducted site visits to the various library locations. While applicants may take factors other than price into consideration, the other factors should not be included in the same category as price. The Beneficiary did not utilize a different category than price to score site visits and, therefore, price was not the primary factor when selecting the winning service provider. In addition, two of the bidders appeared to have conducted site visits to the Beneficiarys locations as indicated on the Beneficiarys bid evaluation provided during the audit. However, site visits were not listed as a requirement on the Beneficiarys FCC Form 470 or RFP. Since the Beneficiary failed to state site visits were a requirement on the FCC Form 470 or RFP, the Beneficiary cannot use this criterion to disqualify bidders in its vendor selection evaluation. Since price was not the primary factor in the vendor selection process, the commitment has been rescinded in full and USAC will seek recovery of any improperly disbursed funds from the applicant.

Funding Request Number: 2073901
Services Ordered: INTERNAL CONNECTIONS
SPIN: 143022659
Service Provider Name: A New Vision in Educational Services &
Contract Number: 03-16052472-10
Billing Account Number: 03-16052472
Site Identifier: 16052522
Original Funding Commitment: \$17,439.30
Commitment Adjustment Amount: \$17,439.30
Adjusted Funding Commitment: \$0.00
Funds Disbursed to Date \$17,439.30
Funds to be Recovered from Applicant: \$17,439.30
Funding Commitment Adjustment Explanation:

During an audit it has been determined that this funding commitment must be rescinded in full. The auditors reviewed the Beneficiarys competitive bidding documentation and determined all bids were not carefully considered using price as the primary factor. FCC rules require that price of the eligible goods and services must be the primary factor in evaluating bids. Applicants may also take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. The Beneficiarys bid evaluation provided during the audit assigned scores for the cost factor based on actual prices and whether the bidders conducted site visits to the various library locations. While applicants may take factors other than price into consideration, the other factors should not be included in the same category as price. The Beneficiary did not utilize a different category than price to score site visits and, therefore, price was not the primary factor when selecting the winning service provider. In addition, two of the bidders appeared to have conducted site visits to the Beneficiarys locations as indicated on the Beneficiarys bid evaluation provided during the audit. However, site visits were not listed as a requirement on the Beneficiarys FCC Form 470 or RFP. Since the Beneficiary failed to state site visits were a requirement on the FCC Form 470 or RFP, the Beneficiary cannot use this criterion to disqualify bidders in its vendor selection evaluation. Since price was not the primary factor in the vendor selection process, the commitment has been rescinded in full and USAC will seek recovery of any improperly disbursed funds from the applicant.

Funding Request Number:	2074071
Services Ordered:	INTERNAL CONNECTIONS
SPIN:	143022659
Service Provider Name:	A New Vision in Educational Services &
Contract Number:	03-16052642-10
Billing Account Number:	03-16052642
Site Identifier:	16052522
Original Funding Commitment:	\$17,439.30
Commitment Adjustment Amount:	\$17,439.30
Adjusted Funding Commitment:	\$0.00
Funds Disbursed to Date	\$17,439.30
Funds to be Recovered from Applicant:	\$17,439.30
Funding Commitment Adjustment Explanation:	

During an audit it has been determined that this funding commitment must be rescinded in full. The auditors reviewed the Beneficiarys competitive bidding documentation and determined all bids were not carefully considered using price as the primary factor. FCC rules require that price of the eligible goods and services must be the primary factor in evaluating bids. Applicants may also take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. The Beneficiarys bid evaluation provided during the audit assigned scores for the cost factor based on actual prices and whether the bidders conducted site visits to the various library locations. While applicants may take factors other than price into consideration, the other factors should not be included in the same category as price. The Beneficiary did not utilize a different category than price to score site visits and, therefore, price was not the primary factor when selecting the winning service provider. In addition, two of the bidders appeared to have conducted site visits to the Beneficiarys locations as indicated on the Beneficiarys bid evaluation provided during the audit. However, site visits were not listed as a requirement on the Beneficiarys FCC Form 470 or RFP. Since the Beneficiary failed to state site visits were a requirement on the FCC Form 470 or RFP, the Beneficiary cannot use this criterion to disqualify bidders in its vendor selection evaluation. Since price was not the primary factor in the vendor selection process, the commitment has been rescinded in full and USAC will seek recovery of any improperly disbursed funds from the applicant.

Funding Request Number:	2074111
Services Ordered:	INTERNAL CONNECTIONS
SPIN:	143022659
Service Provider Name:	A New Vision in Educational Services &
Contract Number:	03-16056554-10
Billing Account Number:	03-16056554
Site Identifier:	16052522
Original Funding Commitment:	\$17,439.30
Commitment Adjustment Amount:	\$17,439.30
Adjusted Funding Commitment:	\$0.00
Funds Disbursed to Date	\$0.00
Funds to be Recovered from Applicant:	\$0.00
Funding Commitment Adjustment Explanation:	

During an audit it has been determined that this funding commitment must be rescinded in full. The auditors reviewed the Beneficiarys competitive bidding documentation and determined all bids were not carefully considered using price as the primary factor. FCC rules require that price of the eligible goods and services must be the primary factor in evaluating bids. Applicants may also take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. The Beneficiarys bid evaluation provided during the audit assigned scores for the cost factor based on actual prices and whether the bidders conducted site visits to the various library locations. While applicants may take factors other than price into consideration, the other factors should not be included in the same category as price. The Beneficiary did not utilize a different category than price to score site visits and, therefore, price was not the primary factor when selecting the winning service provider. In addition, two of the bidders appeared to have conducted site visits to the Beneficiarys locations as indicated on the Beneficiarys bid evaluation provided during the audit. However, site visits were not listed as a requirement on the Beneficiarys FCC Form 470 or RFP. Since the Beneficiary failed to state site visits were a requirement on the FCC Form 470 or RFP, the Beneficiary cannot use this criterion to disqualify bidders in its vendor selection evaluation. Since price was not the primary factor in the vendor selection process, the commitment has been rescinded in full and USAC will seek recovery of any improperly disbursed funds from the applicant.

Funding Request Number: 2074141
Services Ordered: ~~INTERNAL CONNECTIONS~~
SPIN: 143022659
Service Provider Name: A New Vision in Educational Services &
Contract Number: 03-16056555-10
Billing Account Number: 03-16056555
Site Identifier: 16052522
Original Funding Commitment: \$17,439.30
Commitment Adjustment Amount: \$17,439.30
Adjusted Funding Commitment: \$0.00
Funds Disbursed to Date \$17,439.30
Funds to be Recovered from Applicant: \$17,439.30
Funding Commitment Adjustment Explanation:

ADuring an audit it has been determined that this funding commitment must be rescinded in full. The auditors reviewed the Beneficiarys competitive bidding documentation and determined all bids were not carefully considered using price as the primary factor. FCC rules require that price of the eligible goods and services must be the primary factor in evaluating bids. Applicants may also take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. The Beneficiarys bid evaluation provided during the audit assigned scores for the cost factor based on actual prices and whether the bidders conducted site visits to the various library locations. While applicants may take factors other than price into consideration, the other factors should not be included in the same category as price. The Beneficiary did not utilize a different category than price to score site visits and, therefore, price was not the primary factor when selecting the winning service provider. In addition, two of the bidders appeared to have conducted site visits to the Beneficiarys locations as indicated on the Beneficiarys bid evaluation provided during the audit. However, site visits were not listed as a requirement on the Beneficiarys FCC Form 470 or RFP. Since the Beneficiary failed to state site visits were a requirement on the FCC Form 470 or RFP, the Beneficiary cannot use this criterion to disqualify bidders in its vendor selection evaluation. Since price was not the primary factor in the vendor selection process, the commitment has been rescinded in full and USAC will seek recovery of any improperly disbursed funds from the applicant.

Funding Request Number: 2075908
Services Ordered: INTERNAL CONNECTIONS
SPIN: 143022659
Service Provider Name: A New Vision in Educational Services &
Contract Number: 03-16052647-10
Billing Account Number: 03-16052647
Site Identifier: 16052522
Original Funding Commitment: \$17,439.30
Commitment Adjustment Amount: \$17,439.30
Adjusted Funding Commitment: \$0.00
Funds Disbursed to Date \$17,439.30
Funds to be Recovered from Applicant: \$17,439.30
Funding Commitment Adjustment Explanation:

During an audit it has been determined that this funding commitment must be rescinded in full. The auditors reviewed the Beneficiarys competitive bidding documentation and determined all bids were not carefully considered using price as the primary factor. FCC rules require that price of the eligible goods and services must be the primary factor in evaluating bids. Applicants may also take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. The Beneficiarys bid evaluation provided during the audit assigned scores for the cost factor based on actual prices and whether the bidders conducted site visits to the various library locations. While applicants may take factors other than price into consideration, the other factors should not be included in the same category as price. The Beneficiary did not utilize a different category than price to score site visits and, therefore, price was not the primary factor when selecting the winning service provider. In addition, two of the bidders appeared to have conducted site visits to the Beneficiarys locations as indicated on the Beneficiarys bid evaluation provided during the audit. However, site visits were not listed as a requirement on the Beneficiarys FCC Form 470 or RFP. Since the Beneficiary failed to state site visits were a requirement on the FCC Form 470 or RFP, the Beneficiary cannot use this criterion to disqualify bidders in its vendor selection evaluation. Since price was not the primary factor in the vendor selection process, the commitment has been rescinded in full and USAC will seek recovery of any improperly disbursed funds from the applicant.

Funding Request Number: 2035550
Services Ordered: INTERNAL CONNECTIONS
SPIN: 143022659
Service Provider Name: A New Vision in Educational Services &
Contract Number: 03-16052468-10
Billing Account Number: 03-16052468
Site Identifier: 16052522
Original Funding Commitment: \$17,439.30
Commitment Adjustment Amount: \$17,439.30
Adjusted Funding Commitment: \$0.00
Funds Disbursed to Date \$17,439.30
Funds to be Recovered from Applicant: \$17,439.30
Funding Commitment Adjustment Explanation:

During an audit it has been determined that this funding commitment must be rescinded in full. The auditors reviewed the Beneficiarys competitive bidding documentation and determined all bids were not carefully considered using price as the primary factor. FCC rules require that price of the eligible goods and services must be the primary factor in evaluating bids. Applicants may also take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. The Beneficiarys bid evaluation provided during the audit assigned scores for the cost factor based on actual prices and whether the bidders conducted site visits to the various library locations. While applicants may take factors other than price into consideration, the other factors should not be included in the same category as price. The Beneficiary did not utilize a different category than price to score site visits and, therefore, price was not the primary factor when selecting the winning service provider. In addition, two of the bidders appeared to have conducted site visits to the Beneficiarys locations as indicated on the Beneficiarys bid evaluation provided during the audit. However, site visits were not listed as a requirement on the Beneficiarys FCC Form 470 or RFP. Since the Beneficiary failed to state site visits were a requirement on the FCC Form 470 or RFP, the Beneficiary cannot use this criterion to disqualify bidders in its vendor selection evaluation. Since price was not the primary factor in the vendor selection process, the commitment has been rescinded in full and USAC will seek recovery of any improperly disbursed funds from the applicant.

Funding Request Number: 2035611
Services Ordered: ~~INTERNAL CONNECTIONS~~
SPIN: 143022659
Service Provider Name: A New Vision in Educational Services &
Contract Number: 03-16052471-10
Billing Account Number: 03-16052471
Site Identifier: 16052522
Original Funding Commitment: \$17,439.30
Commitment Adjustment Amount: \$17,439.30
Adjusted Funding Commitment: \$0.00
Funds Disbursed to Date \$17,439.30
Funds to be Recovered from Applicant: \$17,439.30
Funding Commitment Adjustment Explanation:

During an audit it has been determined that this funding commitment must be rescinded in full. The auditors reviewed the Beneficiarys competitive bidding documentation and determined all bids were not carefully considered using price as the primary factor. FCC rules require that price of the eligible goods and services must be the primary factor in evaluating bids. Applicants may also take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. The Beneficiarys bid evaluation provided during the audit assigned scores for the cost factor based on actual prices and whether the bidders conducted site visits to the various library locations. While applicants may take factors other than price into consideration, the other factors should not be included in the same category as price. The Beneficiary did not utilize a different category than price to score site visits and, therefore, price was not the primary factor when selecting the winning service provider. In addition, two of the bidders appeared to have conducted site visits to the Beneficiarys locations as indicated on the Beneficiarys bid evaluation provided during the audit. However, site visits were not listed as a requirement on the Beneficiarys FCC Form 470 or RFP. Since the Beneficiary failed to state site visits were a requirement on the FCC Form 470 or RFP, the Beneficiary cannot use this criterion to disqualify bidders in its vendor selection evaluation. Since price was not the primary factor in the vendor selection process, the commitment has been rescinded in full and USAC will seek recovery of any improperly disbursed funds from the applicant.

Funding Request Number: 2035907
Services Ordered: INTERNAL CONNECTIONS
SPIN: 143022659
Service Provider Name: A New Vision in Educational Services &
Contract Number: 03-16052516-10
Billing Account Number: 03-16052516
Site Identifier: 16052522
Original Funding Commitment: \$17,439.30
Commitment Adjustment Amount: \$17,439.30
Adjusted Funding Commitment: \$0.00
Funds Disbursed to Date \$0.00
Funds to be Recovered from Applicant: \$0.00
Funding Commitment Adjustment Explanation:

During an audit it has been determined that this funding commitment must be rescinded in full. The auditors reviewed the Beneficiarys competitive bidding documentation and determined all bids were not carefully considered using price as the primary factor. FCC rules require that price of the eligible goods and services must be the primary factor in evaluating bids. Applicants may also take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. The Beneficiarys bid evaluation provided during the audit assigned scores for the cost factor based on actual prices and whether the bidders conducted site visits to the various library locations. While applicants may take factors other than price into consideration, the other factors should not be included in the same category as price. The Beneficiary did not utilize a different category than price to score site visits and, therefore, price was not the primary factor when selecting the winning service provider. In addition, two of the bidders appeared to have conducted site visits to the Beneficiarys locations as indicated on the Beneficiarys bid evaluation provided during the audit. However, site visits were not listed as a requirement on the Beneficiarys FCC Form 470 or RFP. Since the Beneficiary failed to state site visits were a requirement on the FCC Form 470 or RFP, the Beneficiary cannot use this criterion to disqualify bidders in its vendor selection evaluation. Since price was not the primary factor in the vendor selection process, the commitment has been rescinded in full and USAC will seek recovery of any improperly disbursed funds from the applicant.

Funding Request Number: 2035954
Services Ordered: INTERNAL CONNECTIONS
SPIN: 143022659
Service Provider Name: A New Vision in Educational Services &
Contract Number: 03-16052525-10
Billing Account Number: 03-16052525
Site Identifier: 16052522
Original Funding Commitment: \$17,439.30
Commitment Adjustment Amount: \$17,439.30
Adjusted Funding Commitment: \$0.00
Funds Disbursed to Date \$0.00
Funds to be Recovered from Applicant: \$0.00
Funding Commitment Adjustment Explanation:

During an audit it has been determined that this funding commitment must be rescinded in full. The auditors reviewed the Beneficiarys competitive bidding documentation and determined all bids were not carefully considered using price as the primary factor. FCC rules require that price of the eligible goods and services must be the primary factor in evaluating bids. Applicants may also take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. The Beneficiarys bid evaluation provided during the audit assigned scores for the cost factor based on actual prices and whether the bidders conducted site visits to the various library locations. While applicants may take factors other than price into consideration, the other factors should not be included in the same category as price. The Beneficiary did not utilize a different category than price to score site visits and, therefore, price was not the primary factor when selecting the winning service provider. In addition, two of the bidders appeared to have conducted site visits to the Beneficiarys locations as indicated on the Beneficiarys bid evaluation provided during the audit. However, site visits were not listed as a requirement on the Beneficiarys FCC Form 470 or RFP. Since the Beneficiary failed to state site visits were a requirement on the FCC Form 470 or RFP, the Beneficiary cannot use this criterion to disqualify bidders in its vendor selection evaluation. Since price was not the primary factor in the vendor selection process, the commitment has been rescinded in full and USAC will seek recovery of any improperly disbursed funds from the applicant.

Funding Request Number: 2035452
Services Ordered: INTERNAL CONNECTIONS
SPIN: 143022659
Service Provider Name: A New Vision in Educational Services &
Contract Number: 03-16052510-10
Billing Account Number: 03-16052510
Site Identifier: 16052522
Original Funding Commitment: \$17,439.30
Commitment Adjustment Amount: \$17,439.30
Adjusted Funding Commitment: \$0.00
Funds Disbursed to Date \$17,439.30
Funds to be Recovered from Applicant: \$17,439.30
Funding Commitment Adjustment Explanation:

During an audit it has been determined that this funding commitment must be rescinded in full. The auditors reviewed the Beneficiarys competitive bidding documentation and determined all bids were not carefully considered using price as the primary factor. FCC rules require that price of the eligible goods and services must be the primary factor in evaluating bids. Applicants may also take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. The Beneficiarys bid evaluation provided during the audit assigned scores for the cost factor based on actual prices and whether the bidders conducted site visits to the various library locations. While applicants may take factors other than price into consideration, the other factors should not be included in the same category as price. The Beneficiary did not utilize a different category than price to score site visits and, therefore, price was not the primary factor when selecting the winning service provider. In addition, two of the bidders appeared to have conducted site visits to the Beneficiarys locations as indicated on the Beneficiarys bid evaluation provided during the audit. However, site visits were not listed as a requirement on the Beneficiarys FCC Form 470 or RFP. Since the Beneficiary failed to state site visits were a requirement on the FCC Form 470 or RFP, the Beneficiary cannot use this criterion to disqualify bidders in its vendor selection evaluation. Since price was not the primary factor in the vendor selection process, the commitment has been rescinded in full and USAC will seek recovery of any improperly disbursed funds from the applicant.

Funding Request Number: 2035511
~~Services Ordered:~~ INTERNAL CONNECTIONS
SPIN: 143022659
Service Provider Name: A New Vision in Educational Services &
Contract Number: 03-16052509-10
Billing Account Number: 03-16052509
Site Identifier: 16052522
Original Funding Commitment: \$55,497.93
Commitment Adjustment Amount: \$55,497.93
Adjusted Funding Commitment: \$0.00
Funds Disbursed to Date \$54,561.60
Funds to be Recovered from Applicant: \$54,561.60
Funding Commitment Adjustment Explanation:

During an audit it has been determined that this funding commitment must be rescinded in full. The auditors reviewed the Beneficiarys competitive bidding documentation and determined all bids were not carefully considered using price as the primary factor. FCC rules require that price of the eligible goods and services must be the primary factor in evaluating bids. Applicants may also take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. The Beneficiarys bid evaluation provided during the audit assigned scores for the cost factor based on actual prices and whether the bidders conducted site visits to the various library locations. While applicants may take factors other than price into consideration, the other factors should not be included in the same category as price. The Beneficiary did not utilize a different category than price to score site visits and, therefore, price was not the primary factor when selecting the winning service provider. In addition, two of the bidders appeared to have conducted site visits to the Beneficiarys locations as indicated on the Beneficiarys bid evaluation provided during the audit. However, site visits were not listed as a requirement on the Beneficiarys FCC Form 470 or RFP. Since the Beneficiary failed to state site visits were a requirement on the FCC Form 470 or RFP, the Beneficiary cannot use this criterion to disqualify bidders in its vendor selection evaluation. Since price was not the primary factor in the vendor selection process, the commitment has been rescinded in full and USAC will seek recovery of any improperly disbursed funds from the applicant.

Funding Request Number: 2036057
Services Ordered: ~~INTERNAL CONNECTIONS~~
SPIN: 143022659
Service Provider Name: A New Vision in Educational Services &
Contract Number: 03-16052470-10
Billing Account Number: 03-16052470
Site Identifier: 16052522
Original Funding Commitment: \$17,439.30
Commitment Adjustment Amount: \$17,439.30
Adjusted Funding Commitment: \$0.00
Funds Disbursed to Date: \$17,439.30
Funds to be Recovered from Applicant: \$17,439.30
Funding Commitment Adjustment Explanation:

During an audit it has been determined that this funding commitment must be rescinded in full. The auditors reviewed the Beneficiarys competitive bidding documentation and determined all bids were not carefully considered using price as the primary factor. FCC rules require that price of the eligible goods and services must be the primary factor in evaluating bids. Applicants may also take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. The Beneficiarys bid evaluation provided during the audit assigned scores for the cost factor based on actual prices and whether the bidders conducted site visits to the various library locations. While applicants may take factors other than price into consideration, the other factors should not be included in the same category as price. The Beneficiary did not utilize a different category than price to score site visits and, therefore, price was not the primary factor when selecting the winning service provider. In addition, two of the bidders appeared to have conducted site visits to the Beneficiarys locations as indicated on the Beneficiarys bid evaluation provided during the audit. However, site visits were not listed as a requirement on the Beneficiarys FCC Form 470 or RFP. Since the Beneficiary failed to state site visits were a requirement on the FCC Form 470 or RFP, the Beneficiary cannot use this criterion to disqualify bidders in its vendor selection evaluation. Since price was not the primary factor in the vendor selection process, the commitment has been rescinded in full and USAC will seek recovery of any improperly disbursed funds from the applicant.

Funding Request Number: 2035989
Services Ordered: INTERNAL CONNECTIONS
SPIN: 143022659
Service Provider Name: A New Vision in Educational Services &
Contract Number: 03-16052515-10
Billing Account Number: 03-16052515
Site Identifier: 16052522
Original Funding Commitment: \$17,439.30
Commitment Adjustment Amount: \$17,439.30
Adjusted Funding Commitment: \$0.00
Funds Disbursed to Date \$0.00
Funds to be Recovered from Applicant: \$0.00
Funding Commitment Adjustment Explanation:

During an audit it has been determined that this funding commitment must be rescinded in full. The auditors reviewed the Beneficiarys competitive bidding documentation and determined all bids were not carefully considered using price as the primary factor. FCC rules require that price of the eligible goods and services must be the primary factor in evaluating bids. Applicants may also take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. The Beneficiarys bid evaluation provided during the audit assigned scores for the cost factor based on actual prices and whether the bidders conducted site visits to the various library locations. While applicants may take factors other than price into consideration, the other factors should not be included in the same category as price. The Beneficiary did not utilize a different category than price to score site visits and, therefore, price was not the primary factor when selecting the winning service provider. In addition, two of the bidders appeared to have conducted site visits to the Beneficiarys locations as indicated on the Beneficiarys bid evaluation provided during the audit. However, site visits were not listed as a requirement on the Beneficiarys FCC Form 470 or RFP. Since the Beneficiary failed to state site visits were a requirement on the FCC Form 470 or RFP, the Beneficiary cannot use this criterion to disqualify bidders in its vendor selection evaluation. Since price was not the primary factor in the vendor selection process, the commitment has been rescinded in full and USAC will seek recovery of any improperly disbursed funds from the applicant.

Funding Request Number: 2036014
Services Ordered: INTERNAL CONNECTIONS
SPIN: 143022659
Service Provider Name: A New Vision in Educational Services &
Contract Number: 03-16052517-10
Billing Account Number: 03-16052517
Site Identifier: 16052522
Original Funding Commitment: \$17,439.30
Commitment Adjustment Amount: \$17,439.30
Adjusted Funding Commitment: \$0.00
Funds Disbursed to Date \$17,439.30
Funds to be Recovered from Applicant: \$17,439.30
Funding Commitment Adjustment Explanation:

During an audit it has been determined that this funding commitment must be rescinded in full. The auditors reviewed the Beneficiarys competitive bidding documentation and determined all bids were not carefully considered using price as the primary factor. FCC rules require that price of the eligible goods and services must be the primary factor in evaluating bids. Applicants may also take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. The Beneficiarys bid evaluation provided during the audit assigned scores for the cost factor based on actual prices and whether the bidders conducted site visits to the various library locations. While applicants may take factors other than price into consideration, the other factors should not be included in the same category as price. The Beneficiary did not utilize a different category than price to score site visits and, therefore, price was not the primary factor when selecting the winning service provider.

In addition, two of the bidders appeared to have conducted site visits to the Beneficiarys locations as indicated on the Beneficiarys bid evaluation provided during the audit. However, site visits were not listed as a requirement on the Beneficiarys FCC Form 470 or RFP. Since the Beneficiary failed to state site visits were a requirement on the FCC Form 470 or RFP, the Beneficiary cannot use this criterion to disqualify bidders in its vendor selection evaluation. Since price was not the primary factor in the vendor selection process, the commitment has been rescinded in full and USAC will seek recovery of any improperly disbursed funds from the applicant.

Funding Request Number: 2073459
Services Ordered: ~~INTERNAL CONNECTIONS~~
SPIN: 143022659
Service Provider Name: A New Vision in Educational Services &
Contract Number: 13-16052518-10
Billing Account Number: 03-16052518
Site Identifier: 16052522
Original Funding Commitment: \$17,439.30
Commitment Adjustment Amount: \$17,439.30
Adjusted Funding Commitment: \$0.00
Funds Disbursed to Date \$17,439.30
Funds to be Recovered from Applicant: \$17,439.30
Funding Commitment Adjustment Explanation:

During an audit it has been determined that this funding commitment must be rescinded in full. The auditors reviewed the Beneficiarys competitive bidding documentation and determined all bids were not carefully considered using price as the primary factor. FCC rules require that price of the eligible goods and services must be the primary factor in evaluating bids. Applicants may also take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. The Beneficiarys bid evaluation provided during the audit assigned scores for the cost factor based on actual prices and whether the bidders conducted site visits to the various library locations. While applicants may take factors other than price into consideration, the other factors should not be included in the same category as price. The Beneficiary did not utilize a different category than price to score site visits and, therefore, price was not the primary factor when selecting the winning service provider. In addition, two of the bidders appeared to have conducted site visits to the Beneficiarys locations as indicated on the Beneficiarys bid evaluation provided during the audit. However, site visits were not listed as a requirement on the Beneficiarys FCC Form 470 or RFP. Since the Beneficiary failed to state site visits were a requirement on the FCC Form 470 or RFP, the Beneficiary cannot use this criterion to disqualify bidders in its vendor selection evaluation. Since price was not the primary factor in the vendor selection process, the commitment has been rescinded in full and USAC will seek recovery of any improperly disbursed funds from the applicant.

Funding Request Number: 2073516
~~Services Ordered;~~ ~~INTERNAL CONNECTIONS~~
SPIN: 143022659
Service Provider Name: A New Vision in Educational Services &
Contract Number: 03-16052469-10
Billing Account Number: 03-16052469
Site Identifier: 16052522
Original Funding Commitment: \$17,439.30
Commitment Adjustment Amount: \$17,439.30
Adjusted Funding Commitment: \$0.00
Funds Disbursed to Date \$17,439.30
Funds to be Recovered from Applicant: \$17,439.30
Funding Commitment Adjustment Explanation:

During an audit it has been determined that this funding commitment must be rescinded in full. The auditors reviewed the Beneficiarys competitive bidding documentation and determined all bids were not carefully considered using price as the primary factor. FCC rules require that price of the eligible goods and services must be the primary factor in evaluating bids. Applicants may also take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. The Beneficiarys bid evaluation provided during the audit assigned scores for the cost factor based on actual prices and whether the bidders conducted site visits to the various library locations. While applicants may take factors other than price into consideration, the other factors should not be included in the same category as price. The Beneficiary did not utilize a different category than price to score site visits and, therefore, price was not the primary factor when selecting the winning service provider.

In addition, two of the bidders appeared to have conducted site visits to the Beneficiarys locations as indicated on the Beneficiarys bid evaluation provided during the audit. However, site visits were not listed as a requirement on the Beneficiarys FCC Form 470 or RFP. Since the Beneficiary failed to state site visits were a requirement on the FCC Form 470 or RFP, the Beneficiary cannot use this criterion to disqualify bidders in its vendor selection evaluation. Since price was not the primary factor in the vendor selection process, the commitment has been rescinded in full and USAC will seek recovery of any improperly disbursed funds from the applicant.

Funding Request Number: 2073577
Services Ordered: ~~INTERNAL CONNECTIONS~~
SPIN: 143022659
Service Provider Name: A New Vision in Educational Services &
Contract Number: 03-16052639-10
Billing Account Number: 03-16052639
Site Identifier: 16052522
Original Funding Commitment: \$17,439.30
Commitment Adjustment Amount: \$17,439.30
Adjusted Funding Commitment: \$0.00
Funds Disbursed to Date \$17,439.30
Funds to be Recovered from Applicant: \$17,439.30
Funding Commitment Adjustment Explanation:

During an audit it has been determined that this funding commitment must be rescinded in full. The auditors reviewed the Beneficiarys competitive bidding documentation and determined all bids were not carefully considered using price as the primary factor. FCC rules require that price of the eligible goods and services must be the primary factor in evaluating bids. Applicants may also take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. The Beneficiarys bid evaluation provided during the audit assigned scores for the cost factor based on actual prices and whether the bidders conducted site visits to the various library locations. While applicants may take factors other than price into consideration, the other factors should not be included in the same category as price. The Beneficiary did not utilize a different category than price to score site visits and, therefore, price was not the primary factor when selecting the winning service provider. In addition, two of the bidders appeared to have conducted site visits to the Beneficiarys locations as indicated on the Beneficiarys bid evaluation provided during the audit. However, site visits were not listed as a requirement on the Beneficiarys FCC Form 470 or RFP. Since the Beneficiary failed to state site visits were a requirement on the FCC Form 470 or RFP, the Beneficiary cannot use this criterion to disqualify bidders in its vendor selection evaluation. Since price was not the primary factor in the vendor selection process, the commitment has been rescinded in full and USAC will seek recovery of any improperly disbursed funds from the applicant.

Exhibit C

Notification of Commitment Adjustment Letter from Schools and Libraries Division, Universal Services Administrative Company, to Jose M. Valentin, Biblioteca Abelardo Díaz Alfaro, Funding Year 2010, Form 471 Application Number 752817, dated Nov. 27, 2013



Universal Service Administrative Company

Schools and Libraries Divisio

Notification of Commitment Adjustment Letter

Funding Year 2010: July 1, 2010 - June 30, 2011

November 27, 2013

JOSE M. VALENTIN
BIBLIOTECA ABELARDO DIAZ ALFARO
PO BOX 70179
SAN JUAN, PR 00936 8179

Re: Form 471 Application Number:	752817
Funding Year:	2010
Applicant's Form Identifier:	16052522-10-01
Billed Entity Number:	16052522
FCC Registration Number:	0019729235
SPIN:	143022659
Service Provider Name:	A New Vision in Educational Services &
Service Provider Contact Person:	Ricardo Dreyfous

Our routine review of Schools and Libraries Program (Program) funding commitments has revealed certain applications where funds were committed in violation of Program rules.

In order to be sure that no funds are used in violation of Program rules, the Universal Service Administrative Company (USAC) must now adjust your overall funding commitment. The purpose of this letter is to make the required adjustments to your funding commitment, and to give you an opportunity to appeal this decision. USAC has determined the applicant is responsible for all or some of the violations. Therefore, the applicant is responsible to repay all or some of the funds disbursed in error (if any).

This is NOT a bill. If recovery of disbursed funds is required, the next step in the recovery process is for USAC to issue you a Demand Payment Letter. The balance of the debt will be due within 30 days of that letter. Failure to pay the debt within 30 days from the date of the Demand Payment Letter could result in interest, late payment fees, administrative charges and implementation of the "Red Light Rule." The FCC's Red Light Rule requires USAC to dismiss pending FCC Form 471 applications if the entity responsible for paying the outstanding debt has not paid the debt, or otherwise made satisfactory arrangements to pay the debt within 30 days of the notice provided by USAC. For more information on the Red Light Rule, please see "Red Light Frequently Asked Questions (FAQs)" posted on the FCC website at http://www.fcc.gov/debt_collection/faq.html.

TO APPEAL THIS DECISION:

You have the option of filing an appeal with USAC or directly with the Federal Communications Commission (FCC).

If you wish to appeal the Commitment Adjustment Decision indicated in this letter to USAC your appeal must be received or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and email address (if available) for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Identify the date of the Notification of Commitment Adjustment Letter and the Funding Request Number(s) (FRN) you are appealing. Your letter of appeal must include the
 - Billed Entity Name,
 - Form 471 Application Number,
 - Billed Entity Number, and
 - FCC Registration Number (FCC RN) from the top of your letter.
3. When explaining your appeal, copy the language or text from the Notification of Commitment Adjustment Letter that is the subject of your appeal to allow USAC to more readily understand your appeal and respond appropriately. Please keep your letter to the point, and provide documentation to support your appeal. Be sure to keep a copy of your entire appeal including any correspondence and documentation.
4. If you are an applicant, please provide a copy of your appeal to the service provider(s) affected by USAC's decision. If you are a service provider, please provide a copy of your appeal to the applicant(s) affected by USAC's decision.
5. Provide an authorized signature on your letter of appeal.

To submit your appeal to us on paper, send your appeal to:

Letter of Appeal
Schools and Libraries Division - Correspondence Unit
100 S. Jefferson Rd.
P. O. Box 902
Whippany, NJ 07981

For more information on submitting an appeal to USAC, please see the "Appeals Procedure" posted on our website.

If you wish to appeal a decision in this letter to the FCC, you should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be received by the FCC or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. We strongly recommend that you use the electronic filing options described in the "Appeals Procedure" posted on our website. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554.

FUNDING COMMITMENT ADJUSTMENT REPORT

On the pages following this letter, we have provided a Funding Commitment Adjustment Report (Report) for the Form 471 application cited above. The enclosed Report includes the Funding Request Number(s) from your application for which adjustments are necessary. See the "Guide to USAC Letter Reports" posted at <http://usac.org/sl/tools/reference/guide-usac-letter-reports.aspx> for more information on each of the fields in the Report. USAC is also sending this information to your service provider(s) for informational purposes. If USAC has determined the service provider is also responsible for any rule violation on the FRN(s), a separate letter will be sent to the service provider detailing the necessary service provider action.

Note that if the Funds Disbursed to Date amount is less than the Adjusted Funding Commitment amount, USAC will continue to process properly filed invoices up to the Adjusted Funding Commitment amount. Review the Funding Commitment Adjustment Explanation in the attached Report for an explanation of the reduction to the commitment(s). Please ensure that any invoices that you or your service provider(s) submits to USAC are consistent with Program rules as indicated in the Funding Commitment Adjustment Explanation. If the Funds Disbursed to Date amount exceeds your Adjusted Funding Commitment amount, USAC will have to recover some or all of the disbursed funds. The Report explains the exact amount (if any) the applicant is responsible for repaying.

Schools and Libraries Division
Universal Services Administrative Company

cc: Ricardo Dreyfous
A New Vision in Educational Services & Materials (NEVESEM)

**Funding Commitment Adjustment Report for
Form 471 Application Number: 752817**

Funding Request Number:	2073719
Services Ordered:	INTERNET ACCESS
SPIN:	143022659
Service Provider Name:	A New Vision in Educational Services &
Contract Number:	03-16052469-10
Billing Account Number:	03-16052469
Site Identifier:	16052522
Original Funding Commitment:	\$18,261.00
Commitment Adjustment Amount:	\$18,261.00
Adjusted Funding Commitment:	\$0.00
Funds Disbursed to Date	\$18,261.00
Funds to be Recovered from Applicant:	\$18,261.00
Funding Commitment Adjustment Explanation:	

During an audit it has been determined that this funding commitment must be rescinded in full. The auditors reviewed the Beneficiarys competitive bidding documentation and determined all bids were not carefully considered using price as the primary factor. FCC rules require that price of the eligible goods and services must be the primary factor in evaluating bids. Applicants may also take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. The Beneficiarys bid evaluation provided during the audit assigned scores for the cost factor based on actual prices and whether the bidders conducted site visits to the various library locations. While applicants may take factors other than price into consideration, the other factors should not be included in the same category as price. The Beneficiary did not utilize a different category than price to score site visits and, therefore, price was not the primary factor when selecting the winning service provider. In addition, two of the bidders appeared to have conducted site visits to the Beneficiarys locations as indicated on the Beneficiarys bid evaluation provided during the audit. However, site visits were not listed as a requirement on the Beneficiarys FCC Form 470 or RFP. Since the Beneficiary failed to state site visits were a requirement on the FCC Form 470 or RFP, the Beneficiary cannot use this criterion to disqualify bidders in its vendor selection evaluation. Since price was not the primary factor in the vendor selection process, the commitment has been rescinded in full and USAC will seek recovery of any improperly disbursed funds from the applicant.

Funding Request Number:	2073741
Services Ordered:	INTERNET ACCESS
SPIN:	143022659
Service Provider Name:	A New Vision in Educational Services &
Contract Number:	03-16052506-10
Billing Account Number:	03-16052506
Site Identifier:	16052522
Original Funding Commitment:	\$18,261.00
Commitment Adjustment Amount:	\$18,261.00
Adjusted Funding Commitment:	\$0.00
Funds Disbursed to Date	\$18,261.00
Funds to be Recovered from Applicant:	\$18,261.00
Funding Commitment Adjustment Explanation:	

During an audit it has been determined that this funding commitment must be rescinded in full. The auditors reviewed the Beneficiarys competitive bidding documentation and determined all bids were not carefully considered using price as the primary factor. FCC rules require that price of the eligible goods and services must be the primary factor in evaluating bids. Applicants may also take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. The Beneficiarys bid evaluation provided during the audit assigned scores for the cost factor based on actual prices and whether the bidders conducted site visits to the various library locations. While applicants may take factors other than price into consideration, the other factors should not be included in the same category as price. The Beneficiary did not utilize a different category than price to score site visits and, therefore, price was not the primary factor when selecting the winning service provider. In addition, two of the bidders appeared to have conducted site visits to the Beneficiarys locations as indicated on the Beneficiarys bid evaluation provided during the audit. However, site visits were not listed as a requirement on the Beneficiarys FCC Form 470 or RFP. Since the Beneficiary failed to state site visits were a requirement on the FCC Form 470 or RFP, the Beneficiary cannot use this criterion to disqualify bidders in its vendor selection evaluation. Since price was not the primary factor in the vendor selection process, the commitment has been rescinded in full and USAC will seek recovery of any improperly disbursed funds from the applicant.

Funding Request Number: 2073758
Services Ordered: INTERNET ACCESS
SPIN: 143022659
Service Provider Name: A New Vision in Educational Services &
Contract Number: 03-16052639-10
Billing Account Number: 03-16052639
Site Identifier: 16052522
Original Funding Commitment: \$18,261.00
Commitment Adjustment Amount: \$18,261.00
Adjusted Funding Commitment: \$0.00
Funds Disbursed to Date \$14,751.00
Funds to be Recovered from Applicant: \$14,751.00
Funding Commitment Adjustment Explanation:

During an audit it has been determined that this funding commitment must be rescinded in full. The auditors reviewed the Beneficiarys competitive bidding documentation and determined all bids were not carefully considered using price as the primary factor. FCC rules require that price of the eligible goods and services must be the primary factor in evaluating bids. Applicants may also take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. The Beneficiarys bid evaluation provided during the audit assigned scores for the cost factor based on actual prices and whether the bidders conducted site visits to the various library locations. While applicants may take factors other than price into consideration, the other factors should not be included in the same category as price. The Beneficiary did not utilize a different category than price to score site visits and, therefore, price was not the primary factor when selecting the winning service provider. In addition, two of the bidders appeared to have conducted site visits to the Beneficiarys locations as indicated on the Beneficiarys bid evaluation provided during the audit. However, site visits were not listed as a requirement on the Beneficiarys FCC Form 470 or RFP. Since the Beneficiary failed to state site visits were a requirement on the FCC Form 470 or RFP, the Beneficiary cannot use this criterion to disqualify bidders in its vendor selection evaluation. Since price was not the primary factor in the vendor selection process, the commitment has been rescinded in full and USAC will seek recovery of any improperly disbursed funds from the applicant.

Funding Request Number:	2073777
Services Ordered:	INTERNET ACCESS
SPIN:	143022659
Service Provider Name:	A New Vision in Educational Services &
Contract Number:	03-16056554-10
Billing Account Number:	03-16056554
Site Identifier:	16052522
Original Funding Commitment:	\$18,261.00
Commitment Adjustment Amount:	\$18,261.00
Adjusted Funding Commitment:	\$0.00
Funds Disbursed to Date	\$0.00
Funds to be Recovered from Applicant:	\$0.00
Funding Commitment Adjustment Explanation:	

During an audit it has been determined that this funding commitment must be rescinded in full. The auditors reviewed the Beneficiarys competitive bidding documentation and determined all bids were not carefully considered using price as the primary factor. FCC rules require that price of the eligible goods and services must be the primary factor in evaluating bids. Applicants may also take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. The Beneficiarys bid evaluation provided during the audit assigned scores for the cost factor based on actual prices and whether the bidders conducted site visits to the various library locations. While applicants may take factors other than price into consideration, the other factors should not be included in the same category as price. The Beneficiary did not utilize a different category than price to score site visits and, therefore, price was not the primary factor when selecting the winning service provider. In addition, two of the bidders appeared to have conducted site visits to the Beneficiarys locations as indicated on the Beneficiarys bid evaluation provided during the audit. However, site visits were not listed as a requirement on the Beneficiarys FCC Form 470 or RFP. Since the Beneficiary failed to state site visits were a requirement on the FCC Form 470 or RFP, the Beneficiary cannot use this criterion to disqualify bidders in its vendor selection evaluation. Since price was not the primary factor in the vendor selection process, the commitment has been rescinded in full and USAC will seek recovery of any improperly disbursed funds from the applicant.

Funding Request Number: 2073799
Services Ordered: INTERNET ACCESS
SPIN: 143022659
Service Provider Name: A New Vision in Educational Services &
Contract Number: 03-16056555-10
Billing Account Number: 03-16056555
Site Identifier: 16052522
Original Funding Commitment: \$18,261.00
Commitment Adjustment Amount: \$18,261.00
Adjusted Funding Commitment: \$0.00
Funds Disbursed to Date \$18,261.00
Funds to be Recovered from Applicant: \$18,261.00
Funding Commitment Adjustment Explanation:

During an audit it has been determined that this funding commitment must be rescinded in full. The auditors reviewed the Beneficiarys competitive bidding documentation and determined all bids were not carefully considered using price as the primary factor. FCC rules require that price of the eligible goods and services must be the primary factor in evaluating bids. Applicants may also take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. The Beneficiarys bid evaluation provided during the audit assigned scores for the cost factor based on actual prices and whether the bidders conducted site visits to the various library locations. While applicants may take factors other than price into consideration, the other factors should not be included in the same category as price. The Beneficiary did not utilize a different category than price to score site visits and, therefore, price was not the primary factor when selecting the winning service provider. In addition, two of the bidders appeared to have conducted site visits to the Beneficiarys locations as indicated on the Beneficiarys bid evaluation provided during the audit. However, site visits were not listed as a requirement on the Beneficiarys FCC Form 470 or RFP. Since the Beneficiary failed to state site visits were a requirement on the FCC Form 470 or RFP, the Beneficiary cannot use this criterion to disqualify bidders in its vendor selection evaluation. Since price was not the primary factor in the vendor selection process, the commitment has been rescinded in full and USAC will seek recovery of any improperly disbursed funds from the applicant.

Funding Request Number: 2073689
Services Ordered: INTERNET ACCESS
SPIN: 143022659
Service Provider Name: A New Vision in Educational Services &
Contract Number: 03-16052518-10
Billing Account Number: 03-16052518
Site Identifier: 16052522
Original Funding Commitment: \$18,261.00
Commitment Adjustment Amount: \$18,261.00
Adjusted Funding Commitment: \$0.00
Funds Disbursed to Date \$18,261.00
Funds to be Recovered from Applicant: \$18,261.00
Funding Commitment Adjustment Explanation:

During an audit it has been determined that this funding commitment must be rescinded in full. The auditors reviewed the Beneficiarys competitive bidding documentation and determined all bids were not carefully considered using price as the primary factor. FCC rules require that price of the eligible goods and services must be the primary factor in evaluating bids. Applicants may also take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. The Beneficiarys bid evaluation provided during the audit assigned scores for the cost factor based on actual prices and whether the bidders conducted site visits to the various library locations. While applicants may take factors other than price into consideration, the other factors should not be included in the same category as price. The Beneficiary did not utilize a different category than price to score site visits and, therefore, price was not the primary factor when selecting the winning service provider. In addition, two of the bidders appeared to have conducted site visits to the Beneficiarys locations as indicated on the Beneficiarys bid evaluation provided during the audit. However, site visits were not listed as a requirement on the Beneficiarys FCC Form 470 or RFP. Since the Beneficiary failed to state site visits were a requirement on the FCC Form 470 or RFP, the Beneficiary cannot use this criterion to disqualify bidders in its vendor selection evaluation. Since price was not the primary factor in the vendor selection process, the commitment has been rescinded in full and USAC will seek recovery of any improperly disbursed funds from the applicant.

Funding Request Number:	2073844
Services Ordered:	INTERNET ACCESS
SPIN:	143022659
Service Provider Name:	A New Vision in Educational Services &
Contract Number:	03-16052642-10
Billing Account Number:	03-16052642
Site Identifier:	16052522
Original Funding Commitment:	\$18,261.00
Commitment Adjustment Amount:	\$18,261.00
Adjusted Funding Commitment:	\$0.00
Funds Disbursed to Date	\$18,261.00
Funds to be Recovered from Applicant:	\$18,261.00
Funding Commitment Adjustment Explanation:	

During an audit it has been determined that this funding commitment must be rescinded in full. The auditors reviewed the Beneficiarys competitive bidding documentation and determined all bids were not carefully considered using price as the primary factor. FCC rules require that price of the eligible goods and services must be the primary factor in evaluating bids. Applicants may also take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. The Beneficiarys bid evaluation provided during the audit assigned scores for the cost factor based on actual prices and whether the bidders conducted site visits to the various library locations. While applicants may take factors other than price into consideration, the other factors should not be included in the same category as price. The Beneficiary did not utilize a different category than price to score site visits and, therefore, price was not the primary factor when selecting the winning service provider. In addition, two of the bidders appeared to have conducted site visits to the Beneficiarys locations as indicated on the Beneficiarys bid evaluation provided during the audit. However, site visits were not listed as a requirement on the Beneficiarys FCC Form 470 or RFP. Since the Beneficiary failed to state site visits were a requirement on the FCC Form 470 or RFP, the Beneficiary cannot use this criterion to disqualify bidders in its vendor selection evaluation. Since price was not the primary factor in the vendor selection process, the commitment has been rescinded in full and USAC will seek recovery of any improperly disbursed funds from the applicant.

Funding Request Number:	2073881
Services Ordered:	INTERNET ACCESS
SPIN:	143022659
Service Provider Name:	A New Vision in Educational Services &
Contract Number:	03-16052470-10
Billing Account Number:	03-16052470
Site Identifier:	16052522
Original Funding Commitment:	\$18,261.00
Commitment Adjustment Amount:	\$18,261.00
Adjusted Funding Commitment:	\$0.00
Funds Disbursed to Date	\$15,921.00
Funds to be Recovered from Applicant:	\$15,921.00
Funding Commitment Adjustment Explanation:	

During an audit it has been determined that this funding commitment must be rescinded in full. The auditors reviewed the Beneficiarys competitive bidding documentation and determined all bids were not carefully considered using price as the primary factor. FCC rules require that price of the eligible goods and services must be the primary factor in evaluating bids. Applicants may also take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. The Beneficiarys bid evaluation provided during the audit assigned scores for the cost factor based on actual prices and whether the bidders conducted site visits to the various library locations. While applicants may take factors other than price into consideration, the other factors should not be included in the same category as price. The Beneficiary did not utilize a different category than price to score site visits and, therefore, price was not the primary factor when selecting the winning service provider. In addition, two of the bidders appeared to have conducted site visits to the Beneficiarys locations as indicated on the Beneficiarys bid evaluation provided during the audit. However, site visits were not listed as a requirement on the Beneficiarys FCC Form 470 or RFP. Since the Beneficiary failed to state site visits were a requirement on the FCC Form 470 or RFP, the Beneficiary cannot use this criterion to disqualify bidders in its vendor selection evaluation. Since price was not the primary factor in the vendor selection process, the commitment has been rescinded in full and USAC will seek recovery of any improperly disbursed funds from the applicant.

Funding Request Number:	2073860
Services Ordered:	INTERNET ACCESS
SPIN:	143022659
Service Provider Name:	A New Vision in Educational Services &
Contract Number:	03-16052526-10
Billing Account Number:	03-16052526
Site Identifier:	16052522
Original Funding Commitment:	\$18,261.00
Commitment Adjustment Amount:	\$18,261.00
Adjusted Funding Commitment:	\$0.00
Funds Disbursed to Date	\$0.00
Funds to be Recovered from Applicant:	\$0.00
Funding Commitment Adjustment Explanation:	

During an audit it has been determined that this funding commitment must be rescinded in full. The auditors reviewed the Beneficiarys competitive bidding documentation and determined all bids were not carefully considered using price as the primary factor. FCC rules require that price of the eligible goods and services must be the primary factor in evaluating bids. Applicants may also take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. The Beneficiarys bid evaluation provided during the audit assigned scores for the cost factor based on actual prices and whether the bidders conducted site visits to the various library locations. While applicants may take factors other than price into consideration, the other factors should not be included in the same category as price. The Beneficiary did not utilize a different category than price to score site visits and, therefore, price was not the primary factor when selecting the winning service provider. In addition, two of the bidders appeared to have conducted site visits to the Beneficiarys locations as indicated on the Beneficiarys bid evaluation provided during the audit. However, site visits were not listed as a requirement on the Beneficiarys FCC Form 470 or RFP. Since the Beneficiary failed to state site visits were a requirement on the FCC Form 470 or RFP, the Beneficiary cannot use this criterion to disqualify bidders in its vendor selection evaluation. Since price was not the primary factor in the vendor selection process, the commitment has been rescinded in full and USAC will seek recovery of any improperly disbursed funds from the applicant.

Funding Request Number: 2073917
Services Ordered: INTERNET ACCESS
SPIN: 143022659
Service Provider Name: A New Vision in Educational Services &
Contract Number: 03-16052512-10
Billing Account Number: 03-16052512
Site Identifier: 16052522
Original Funding Commitment: \$18,261.00
Commitment Adjustment Amount: \$18,261.00
Adjusted Funding Commitment: \$0.00
Funds Disbursed to Date \$18,261.00
Funds to be Recovered from Applicant: \$18,261.00
Funding Commitment Adjustment Explanation:

During an audit it has been determined that this funding commitment must be rescinded in full. The auditors reviewed the Beneficiarys competitive bidding documentation and determined all bids were not carefully considered using price as the primary factor. FCC rules require that price of the eligible goods and services must be the primary factor in evaluating bids. Applicants may also take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. The Beneficiarys bid evaluation provided during the audit assigned scores for the cost factor based on actual prices and whether the bidders conducted site visits to the various library locations. While applicants may take factors other than price into consideration, the other factors should not be included in the same category as price. The Beneficiary did not utilize a different category than price to score site visits and, therefore, price was not the primary factor when selecting the winning service provider. In addition, two of the bidders appeared to have conducted site visits to the Beneficiarys locations as indicated on the Beneficiarys bid evaluation provided during the audit. However, site visits were not listed as a requirement on the Beneficiarys FCC Form 470 or RFP. Since the Beneficiary failed to state site visits were a requirement on the FCC Form 470 or RFP, the Beneficiary cannot use this criterion to disqualify bidders in its vendor selection evaluation. Since price was not the primary factor in the vendor selection process, the commitment has been rescinded in full and USAC will seek recovery of any improperly disbursed funds from the applicant.

Funding Request Number: 2073929
 Services Ordered: INTERNET ACCESS
 SPIN: 143022659
 Service Provider Name: A New Vision in Educational Services &
 Contract Number: 03-16052522-10
 Billing Account Number: 03-16052522
 Site Identifier: 16052522
 Original Funding Commitment: \$23,751.00
 Commitment Adjustment Amount: \$23,751.00
 Adjusted Funding Commitment: \$0.00
 Funds Disbursed to Date \$23,751.00
 Funds to be Recovered from Applicant: \$23,751.00
 Funding Commitment Adjustment Explanation:

During an audit it has been determined that this funding commitment must be rescinded in full. The auditors reviewed the Beneficiarys competitive bidding documentation and determined all bids were not carefully considered using price as the primary factor. FCC rules require that price of the eligible goods and services must be the primary factor in evaluating bids. Applicants may also take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. The Beneficiarys bid evaluation provided during the audit assigned scores for the cost factor based on actual prices and whether the bidders conducted site visits to the various library locations. While applicants may take factors other than price into consideration, the other factors should not be included in the same category as price. The Beneficiary did not utilize a different category than price to score site visits and, therefore, price was not the primary factor when selecting the winning service provider. In addition, two of the bidders appeared to have conducted site visits to the Beneficiarys locations as indicated on the Beneficiarys bid evaluation provided during the audit. However, site visits were not listed as a requirement on the Beneficiarys FCC Form 470 or RFP. Since the Beneficiary failed to state site visits were a requirement on the FCC Form 470 or RFP, the Beneficiary cannot use this criterion to disqualify bidders in its vendor selection evaluation. Since price was not the primary factor in the vendor selection process, the commitment has been rescinded in full and USAC will seek recovery of any improperly disbursed funds from the applicant.

Funding Request Number:	2073949
Services Ordered:	INTERNET ACCESS
SPIN:	143022659
Service Provider Name:	A New Vision in Educational Services &
Contract Number:	03-16052507-10
Billing Account Number:	03-16052507
Site Identifier:	16052522
Original Funding Commitment:	\$18,261.00
Commitment Adjustment Amount:	\$18,261.00
Adjusted Funding Commitment:	\$0.00
Funds Disbursed to Date	\$18,261.00
Funds to be Recovered from Applicant:	\$18,261.00
Funding Commitment Adjustment Explanation:	

During an audit it has been determined that this funding commitment must be rescinded in full. The auditors reviewed the Beneficiarys competitive bidding documentation and determined all bids were not carefully considered using price as the primary factor. FCC rules require that price of the eligible goods and services must be the primary factor in evaluating bids. Applicants may also take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. The Beneficiarys bid evaluation provided during the audit assigned scores for the cost factor based on actual prices and whether the bidders conducted site visits to the various library locations. While applicants may take factors other than price into consideration, the other factors should not be included in the same category as price. The Beneficiary did not utilize a different category than price to score site visits and, therefore, price was not the primary factor when selecting the winning service provider. In addition, two of the bidders appeared to have conducted site visits to the Beneficiarys locations as indicated on the Beneficiarys bid evaluation provided during the audit. However, site visits were not listed as a requirement on the Beneficiarys FCC Form 470 or RFP. Since the Beneficiary failed to state site visits were a requirement on the FCC Form 470 or RFP, the Beneficiary cannot use this criterion to disqualify bidders in its vendor selection evaluation. Since price was not the primary factor in the vendor selection process, the commitment has been rescinded in full and USAC will seek recovery of any improperly disbursed funds from the applicant.

Funding Request Number:

2075827

Services Ordered:

INTERNET ACCESS

SPIN:

143022659

Service Provider Name:

A New Vision in Educational Services &

Contract Number:

03-16052647-10

Billing Account Number:

03-16052647

Site Identifier:

16052522

Original Funding Commitment:

\$18,261.00

Commitment Adjustment Amount:

\$18,261.00

Adjusted Funding Commitment:

\$0.00

Funds Disbursed to Date

\$0.00

Funds to be Recovered from Applicant:

\$0.00

Funding Commitment Adjustment Explanation:

During an audit it has been determined that this funding commitment must be rescinded in full. The auditors reviewed the Beneficiarys competitive bidding documentation and determined all bids were not carefully considered using price as the primary factor. FCC rules require that price of the eligible goods and services must be the primary factor in evaluating bids. Applicants may also take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. The Beneficiarys bid evaluation provided during the audit assigned scores for the cost factor based on actual prices and whether the bidders conducted site visits to the various library locations. While applicants may take factors other than price into consideration, the other factors should not be included in the same category as price. The Beneficiary did not utilize a different category than price to score site visits and, therefore, price was not the primary factor when selecting the winning service provider. In addition, two of the bidders appeared to have conducted site visits to the Beneficiarys locations as indicated on the Beneficiarys bid evaluation provided during the audit. However, site visits were not listed as a requirement on the Beneficiarys FCC Form 470 or RFP. Since the Beneficiary failed to state site visits were a requirement on the FCC Form 470 or RFP, the Beneficiary cannot use this criterion to disqualify bidders in its vendor selection evaluation. Since price was not the primary factor in the vendor selection process, the commitment has been rescinded in full and USAC will seek recovery of any improperly disbursed funds from the applicant.

Funding Request Number:	2073970
Services Ordered:	INTERNET ACCESS
SPIN:	143022659
Service Provider Name:	A New Vision in Educational Services &
Contract Number:	03-16052508-10
Billing Account Number:	03-16052508
Site Identifier:	16052522
Original Funding Commitment:	\$18,261.00
Commitment Adjustment Amount:	\$18,261.00
Adjusted Funding Commitment:	\$0.00
Funds Disbursed to Date	\$18,261.00
Funds to be Recovered from Applicant:	\$18,261.00
Funding Commitment Adjustment Explanation:	

During an audit it has been determined that this funding commitment must be rescinded in full. The auditors reviewed the Beneficiarys competitive bidding documentation and determined all bids were not carefully considered using price as the primary factor. FCC rules require that price of the eligible goods and services must be the primary factor in evaluating bids. Applicants may also take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. The Beneficiarys bid evaluation provided during the audit assigned scores for the cost factor based on actual prices and whether the bidders conducted site visits to the various library locations. While applicants may take factors other than price into consideration, the other factors should not be included in the same category as price. The Beneficiary did not utilize a different category than price to score site visits and, therefore, price was not the primary factor when selecting the winning service provider. In addition, two of the bidders appeared to have conducted site visits to the Beneficiarys locations as indicated on the Beneficiarys bid evaluation provided during the audit. However, site visits were not listed as a requirement on the Beneficiarys FCC Form 470 or RFP. Since the Beneficiary failed to state site visits were a requirement on the FCC Form 470 or RFP, the Beneficiary cannot use this criterion to disqualify bidders in its vendor selection evaluation. Since price was not the primary factor in the vendor selection process, the commitment has been rescinded in full and USAC will seek recovery of any improperly disbursed funds from the applicant.

Funding Request Number:	2073981
Services Ordered:	INTERNET ACCESS
SPIN:	143022659
Service Provider Name:	A New Vision in Educational Services &
Contract Number:	03-16052638-10
Billing Account Number:	03-16052638
Site Identifier:	16052522
Original Funding Commitment:	\$18,261.00
Commitment Adjustment Amount:	\$18,261.00
Adjusted Funding Commitment:	\$0.00
Funds Disbursed to Date	\$18,261.00
Funds to be Recovered from Applicant:	\$18,261.00
Funding Commitment Adjustment Explanation:	

During an audit it has been determined that this funding commitment must be rescinded in full. The auditors reviewed the Beneficiary's competitive bidding documentation and determined all bids were not carefully considered using price as the primary factor. FCC rules require that price of the eligible goods and services must be the primary factor in evaluating bids. Applicants may also take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. The Beneficiary's bid evaluation provided during the audit assigned scores for the cost factor based on actual prices and whether the bidders conducted site visits to the various library locations. While applicants may take factors other than price into consideration, the other factors should not be included in the same category as price. The Beneficiary did not utilize a different category than price to score site visits and, therefore, price was not the primary factor when selecting the winning service provider. In addition, two of the bidders appeared to have conducted site visits to the Beneficiary's locations as indicated on the Beneficiary's bid evaluation provided during the audit. However, site visits were not listed as a requirement on the Beneficiary's FCC Form 470 or RFP. Since the Beneficiary failed to state site visits were a requirement on the FCC Form 470 or RFP, the Beneficiary cannot use this criterion to disqualify bidders in its vendor selection evaluation. Since price was not the primary factor in the vendor selection process, the commitment has been rescinded in full and USAC will seek recovery of any improperly disbursed funds from the applicant.

Funding Request Number:	2034903
Services Ordered:	INTERNET ACCESS
SPIN:	143022659
Service Provider Name:	A New Vision in Educational Services &
Contract Number:	03-16052468-10
Billing Account Number:	03-16052468
Site Identifier:	16052522
Original Funding Commitment:	\$18,261.00
Commitment Adjustment Amount:	\$18,261.00
Adjusted Funding Commitment:	\$0.00
Funds Disbursed to Date	\$0.00
Funds to be Recovered from Applicant:	\$0.00
Funding Commitment Adjustment Explanation:	

During an audit it has been determined that this funding commitment must be rescinded in full. The auditors reviewed the Beneficiarys competitive bidding documentation and determined all bids were not carefully considered using price as the primary factor. FCC rules require that price of the eligible goods and services must be the primary factor in evaluating bids. Applicants may also take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. The Beneficiarys bid evaluation provided during the audit assigned scores for the cost factor based on actual prices and whether the bidders conducted site visits to the various library locations. While applicants may take factors other than price into consideration, the other factors should not be included in the same category as price. The Beneficiary did not utilize a different category than price to score site visits and, therefore, price was not the primary factor when selecting the winning service provider. In addition, two of the bidders appeared to have conducted site visits to the Beneficiarys locations as indicated on the Beneficiarys bid evaluation provided during the audit. However, site visits were not listed as a requirement on the Beneficiarys FCC Form 470 or RFP. Since the Beneficiary failed to state site visits were a requirement on the FCC Form 470 or RFP, the Beneficiary cannot use this criterion to disqualify bidders in its vendor selection evaluation. Since price was not the primary factor in the vendor selection process, the commitment has been rescinded in full and USAC will seek recovery of any improperly disbursed funds from the applicant.

Funding Request Number:	2034873
Services Ordered:	INTERNET ACCESS
SPIN:	143022659
Service Provider Name:	A New Vision in Educational Services &
Contract Number:	03-1605210-10
Billing Account Number:	03-1605210
Site Identifier:	16052522
Original Funding Commitment:	\$18,261.00
Commitment Adjustment Amount:	\$18,261.00
Adjusted Funding Commitment:	\$0.00
Funds Disbursed to Date	\$14,751.00
Funds to be Recovered from Applicant:	\$14,751.00
Funding Commitment Adjustment Explanation:	

During an audit it has been determined that this funding commitment must be rescinded in full. The auditors reviewed the Beneficiarys competitive bidding documentation and determined all bids were not carefully considered using price as the primary factor. FCC rules require that price of the eligible goods and services must be the primary factor in evaluating bids. Applicants may also take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. The Beneficiarys bid evaluation provided during the audit assigned scores for the cost factor based on actual prices and whether the bidders conducted site visits to the various library locations. While applicants may take factors other than price into consideration, the other factors should not be included in the same category as price. The Beneficiary did not utilize a different category than price to score site visits and, therefore, price was not the primary factor when selecting the winning service provider. In addition, two of the bidders appeared to have conducted site visits to the Beneficiarys locations as indicated on the Beneficiarys bid evaluation provided during the audit. However, site visits were not listed as a requirement on the Beneficiarys FCC Form 470 or RFP. Since the Beneficiary failed to state site visits were a requirement on the FCC Form 470 or RFP, the Beneficiary cannot use this criterion to disqualify bidders in its vendor selection evaluation. Since price was not the primary factor in the vendor selection process, the commitment has been rescinded in full and USAC will seek recovery of any improperly disbursed funds from the applicant.

Funding Request Number:	2034886
Services Ordered:	INTERNET ACCESS
SPIN:	143022659
Service Provider Name:	A New Vision in Educational Services &
Contract Number:	03-1605209-10
Billing Account Number:	03-1605209
Site Identifier:	16052522
Original Funding Commitment:	\$23,751.00
Commitment Adjustment Amount:	\$23,751.00
Adjusted Funding Commitment:	\$0.00
Funds Disbursed to Date	\$23,751.00
Funds to be Recovered from Applicant:	\$23,751.00
Funding Commitment Adjustment Explanation:	

During an audit it has been determined that this funding commitment must be rescinded in full. The auditors reviewed the Beneficiarys competitive bidding documentation and determined all bids were not carefully considered using price as the primary factor. FCC rules require that price of the eligible goods and services must be the primary factor in evaluating bids. Applicants may also take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. The Beneficiarys bid evaluation provided during the audit assigned scores for the cost factor based on actual prices and whether the bidders conducted site visits to the various library locations. While applicants may take factors other than price into consideration, the other factors should not be included in the same category as price. The Beneficiary did not utilize a different category than price to score site visits and, therefore, price was not the primary factor when selecting the winning service provider. In addition, two of the bidders appeared to have conducted site visits to the Beneficiarys locations as indicated on the Beneficiarys bid evaluation provided during the audit. However, site visits were not listed as a requirement on the Beneficiarys FCC Form 470 or RFP. Since the Beneficiary failed to state site visits were a requirement on the FCC Form 470 or RFP, the Beneficiary cannot use this criterion to disqualify bidders in its vendor selection evaluation. Since price was not the primary factor in the vendor selection process, the commitment has been rescinded in full and USAC will seek recovery of any improperly disbursed funds from the applicant.

Funding Request Number:	2034920
Services Ordered:	INTERNET ACCESS
SPIN:	143022659
Service Provider Name:	A New Vision in Educational Services &
Contract Number:	03-16052471-10
Billing Account Number:	03-16052471
Site Identifier:	16052522
Original Funding Commitment:	\$18,261.00
Commitment Adjustment Amount:	\$18,261.00
Adjusted Funding Commitment:	\$0.00
Funds Disbursed to Date	\$18,261.00
Funds to be Recovered from Applicant:	\$18,261.00
Funding Commitment Adjustment Explanation:	

During an audit it has been determined that this funding commitment must be rescinded in full. The auditors reviewed the Beneficiary's competitive bidding documentation and determined all bids were not carefully considered using price as the primary factor. FCC rules require that price of the eligible goods and services must be the primary factor in evaluating bids. Applicants may also take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. The Beneficiary's bid evaluation provided during the audit assigned scores for the cost factor based on actual prices and whether the bidders conducted site visits to the various library locations. While applicants may take factors other than price into consideration, the other factors should not be included in the same category as price. The Beneficiary did not utilize a different category than price to score site visits and, therefore, price was not the primary factor when selecting the winning service provider. In addition, two of the bidders appeared to have conducted site visits to the Beneficiary's locations as indicated on the Beneficiary's bid evaluation provided during the audit. However, site visits were not listed as a requirement on the Beneficiary's FCC Form 470 or RFP. Since the Beneficiary failed to state site visits were a requirement on the FCC Form 470 or RFP, the Beneficiary cannot use this criterion to disqualify bidders in its vendor selection evaluation. Since price was not the primary factor in the vendor selection process, the commitment has been rescinded in full and USAC will seek recovery of any improperly disbursed funds from the applicant.

Funding Request Number:	2034944
Services Ordered:	INTERNET ACCESS
SPIN:	143022659
Service Provider Name:	A New Vision in Educational Services &
Contract Number:	03-16052516-10
Billing Account Number:	03-16052516
Site Identifier:	16052522
Original Funding Commitment:	\$18,261.00
Commitment Adjustment Amount:	\$18,261.00
Adjusted Funding Commitment:	\$0.00
Funds Disbursed to Date	\$17,091.00
Funds to be Recovered from Applicant:	\$17,091.00
Funding Commitment Adjustment Explanation:	

APP Comad

During an audit it has been determined that this funding commitment must be rescinded in full. The auditors reviewed the Beneficiarys competitive bidding documentation and determined all bids were not carefully considered using price as the primary factor. FCC rules require that price of the eligible goods and services must be the primary factor in evaluating bids. Applicants may also take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. The Beneficiarys bid evaluation provided during the audit assigned scores for the cost factor based on actual prices and whether the bidders conducted site visits to the various library locations. While applicants may take factors other than price into consideration, the other factors should not be included in the same category as price. The Beneficiary did not utilize a different category than price to score site visits and, therefore, price was not the primary factor when selecting the winning service provider. In addition, two of the bidders appeared to have conducted site visits to the Beneficiarys locations as indicated on the Beneficiarys bid evaluation provided during the audit. However, site visits were not listed as a requirement on the Beneficiarys FCC Form 470 or RFP. Since the Beneficiary failed to state site visits were a requirement on the FCC Form 470 or RFP, the Beneficiary cannot use this criterion to disqualify bidders in its vendor selection evaluation. Since price was not the primary factor in the vendor selection process, the commitment has been rescinded in full and USAC will seek recovery of any improperly disbursed funds from the applicant. Since price was not the primary factor in the vendor selection process, the commitment has been rescinded in full and USAC will seek recovery of \$17,091.00 of improperly disbursed funds from the applicant.

SP RIDF

After a thorough investigation, it has been determined that funds were improperly disbursed for this funding request. During a review, it was determined that the funds were disbursed in excess of products and/or services actually delivered to the applicant. Specifically, the service provider invoiced USAC in excess of the amount billed and services provided to the applicant. FCC rules authorize USAC to disburse funds to service providers for providing supported services to eligible entities. These rules are violated if the service provider invoices USAC and receives payment for services and/or products in excess of what it delivered to the eligible entity. Since the services were invoiced via a SPI, this violation was caused by an act or omission of the service provider because the service provider is responsible for ensuring that it only receives support for services and/or products that it actually provides to its customers. Accordingly, USAC will seek recovery of the \$17,091.00 of improperly disbursed funds from the service provider.

Funding Request Number:	2034944
Services Ordered:	INTERNET ACCESS
SPIN:	143022659
Service Provider Name:	A New Vision in Educational Services &
Contract Number:	03-16052516-10
Billing Account Number:	03-16052516
Site Identifier:	16052522
Original Funding Commitment:	\$18,261.00
Commitment Adjustment Amount:	\$18,261.00
Adjusted Funding Commitment:	\$0.00
Funds Disbursed to Date	\$17,091.00
Funds to be Recovered from Applicant:	\$17,091.00
Funding Commitment Adjustment Explanation:	

APP Comad

During an audit it has been determined that this funding commitment must be rescinded in full. The auditors reviewed the Beneficiarys competitive bidding documentation and determined all bids were not carefully considered using price as the primary factor. FCC rules require that price of the eligible goods and services must be the primary factor in evaluating bids. Applicants may also take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. The Beneficiarys bid evaluation provided during the audit assigned scores for the cost factor based on actual prices and whether the bidders conducted site visits to the various library locations. While applicants may take factors other than price into consideration, the other factors should not be included in the same category as price. The Beneficiary did not utilize a different category than price to score site visits and, therefore, price was not the primary factor when selecting the winning service provider. In addition, two of the bidders appeared to have conducted site visits to the Beneficiarys locations as indicated on the Beneficiarys bid evaluation provided during the audit. However, site visits were not listed as a requirement on the Beneficiarys FCC Form 470 or RFP. Since the Beneficiary failed to state site visits were a requirement on the FCC Form 470 or RFP, the Beneficiary cannot use this criterion to disqualify bidders in its vendor selection evaluation. Since price was not the primary factor in the vendor selection process, the commitment has been rescinded in full and USAC will seek recovery of any improperly disbursed funds from the applicant. Since price was not the primary factor in the vendor selection process, the commitment has been rescinded in full and USAC will seek recovery of \$17,091.00 of improperly disbursed funds from the applicant.

SP RIDF

After a thorough investigation, it has been determined that funds were improperly disbursed for this funding request. During a review, it was determined that the funds were disbursed in excess of products and/or services actually delivered to the applicant. Specifically, the service provider invoiced USAC in excess of the amount billed and services provided to the applicant. FCC rules authorize USAC to disburse funds to service providers for providing supported services to eligible entities. These rules are violated if the service provider invoices USAC and receives payment for services and/or products in excess of what it delivered to the eligible entity. Since the services were invoiced via a SPI, this violation was caused by an act or omission of the service provider because the service provider is responsible for ensuring that it only receives support for services and/or products that it actually provides to its customers. Accordingly, USAC will seek recovery of the \$17,091.00 of improperly disbursed funds from the service provider.

Funding Request Number:	2034967
Services Ordered:	INTERNET ACCESS
SPIN:	143022659
Service Provider Name:	A New Vision in Educational Services &
Contract Number:	03-16052525-10
Billing Account Number:	03-16052525
Site Identifier:	16052522
Original Funding Commitment:	\$18,261.00
Commitment Adjustment Amount:	\$18,261.00
Adjusted Funding Commitment:	\$0.00
Funds Disbursed to Date	\$0.00
Funds to be Recovered from Applicant:	\$0.00
Funding Commitment Adjustment Explanation:	

During an audit it has been determined that this funding commitment must be rescinded in full. The auditors reviewed the Beneficiarys competitive bidding documentation and determined all bids were not carefully considered using price as the primary factor. FCC rules require that price of the eligible goods and services must be the primary factor in evaluating bids. Applicants may also take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. The Beneficiarys bid evaluation provided during the audit assigned scores for the cost factor based on actual prices and whether the bidders conducted site visits to the various library locations. While applicants may take factors other than price into consideration, the other factors should not be included in the same category as price. The Beneficiary did not utilize a different category than price to score site visits and, therefore, price was not the primary factor when selecting the winning service provider. In addition, two of the bidders appeared to have conducted site visits to the Beneficiarys locations as indicated on the Beneficiarys bid evaluation provided during the audit. However, site visits were not listed as a requirement on the Beneficiarys FCC Form 470 or RFP. Since the Beneficiary failed to state site visits were a requirement on the FCC Form 470 or RFP, the Beneficiary cannot use this criterion to disqualify bidders in its vendor selection evaluation. Since price was not the primary factor in the vendor selection process, the commitment has been rescinded in full and USAC will seek recovery of any improperly disbursed funds from the applicant.

Funding Request Number:	2035123
Services Ordered:	INTERNET ACCESS
SPIN:	143022659
Service Provider Name:	A New Vision in Educational Services &
Contract Number:	03-16052515-10
Billing Account Number:	03-16052515
Site Identifier:	16052522
Original Funding Commitment:	\$18,261.00
Commitment Adjustment Amount:	\$18,261.00
Adjusted Funding Commitment:	\$0.00
Funds Disbursed to Date	\$18,261.00
Funds to be Recovered from Applicant:	\$18,261.00
Funding Commitment Adjustment Explanation:	

During an audit it has been determined that this funding commitment must be rescinded in full. The auditors reviewed the Beneficiarys competitive bidding documentation and determined all bids were not carefully considered using price as the primary factor. FCC rules require that price of the eligible goods and services must be the primary factor in evaluating bids. Applicants may also take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. The Beneficiarys bid evaluation provided during the audit assigned scores for the cost factor based on actual prices and whether the bidders conducted site visits to the various library locations. While applicants may take factors other than price into consideration, the other factors should not be included in the same category as price. The Beneficiary did not utilize a different category than price to score site visits and, therefore, price was not the primary factor when selecting the winning service provider.

In addition, two of the bidders appeared to have conducted site visits to the Beneficiarys locations as indicated on the Beneficiarys bid evaluation provided during the audit. However, site visits were not listed as a requirement on the Beneficiarys FCC Form 470 or RFP. Since the Beneficiary failed to state site visits were a requirement on the FCC Form 470 or RFP, the Beneficiary cannot use this criterion to disqualify bidders in its vendor selection evaluation. Since price was not the primary factor in the vendor selection process, the commitment has been rescinded in full and USAC will seek recovery of any improperly disbursed funds from the applicant.

Funding Request Number: 2035158
Services Ordered: INTERNET ACCESS
SPIN: 143022659
Service Provider Name: A New Vision in Educational Services &
Contract Number: 03-16052517-10
Billing Account Number: 03-16052517
Site Identifier: 16052522
Original Funding Commitment: \$18,261.00
Commitment Adjustment Amount: \$18,261.00
Adjusted Funding Commitment: \$0.00
Funds Disbursed to Date \$0.00
Funds to be Recovered from Applicant: \$0.00
Funding Commitment Adjustment Explanation:

During an audit it has been determined that this funding commitment must be rescinded in full. The auditors reviewed the Beneficiarys competitive bidding documentation and determined all bids were not carefully considered using price as the primary factor. FCC rules require that price of the eligible goods and services must be the primary factor in evaluating bids. Applicants may also take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. The Beneficiarys bid evaluation provided during the audit assigned scores for the cost factor based on actual prices and whether the bidders conducted site visits to the various library locations. While applicants may take factors other than price into consideration, the other factors should not be included in the same category as price. The Beneficiary did not utilize a different category than price to score site visits and, therefore, price was not the primary factor when selecting the winning service provider. In addition, two of the bidders appeared to have conducted site visits to the Beneficiarys locations as indicated on the Beneficiarys bid evaluation provided during the audit. However, site visits were not listed as a requirement on the Beneficiarys FCC Form 470 or RFP. Since the Beneficiary failed to state site visits were a requirement on the FCC Form 470 or RFP, the Beneficiary cannot use this criterion to disqualify bidders in its vendor selection evaluation. Since price was not the primary factor in the vendor selection process, the commitment has been rescinded in full and USAC will seek recovery of any improperly disbursed funds from the applicant.

Funding Request Number: 2035190
Services Ordered: INTERNET ACCESS
SPIN: 143022659
Service Provider Name: A New Vision in Educational Services &
Contract Number: 03-16052470-10
Billing Account Number: 03-16052470
Site Identifier: 16052522
Original Funding Commitment: \$18,261.00
Commitment Adjustment Amount: \$18,261.00
Adjusted Funding Commitment: \$0.00
Funds Disbursed to Date \$18,261.00
Funds to be Recovered from Applicant: \$18,261.00
Funding Commitment Adjustment Explanation:

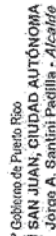
During an audit it has been determined that this funding commitment must be rescinded in full. The auditors reviewed the Beneficiarys competitive bidding documentation and determined all bids were not carefully considered using price as the primary factor. FCC rules require that price of the eligible goods and services must be the primary factor in evaluating bids. Applicants may also take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. The Beneficiarys bid evaluation provided during the audit assigned scores for the cost factor based on actual prices and whether the bidders conducted site visits to the various library locations. While applicants may take factors other than price into consideration, the other factors should not be included in the same category as price. The Beneficiary did not utilize a different category than price to score site visits and, therefore, price was not the primary factor when selecting the winning service provider. In addition, two of the bidders appeared to have conducted site visits to the Beneficiarys locations as indicated on the Beneficiarys bid evaluation provided during the audit. However, site visits were not listed as a requirement on the Beneficiarys FCC Form 470 or RFP. Since the Beneficiary failed to state site visits were a requirement on the FCC Form 470 or RFP, the Beneficiary cannot use this criterion to disqualify bidders in its vendor selection evaluation. Since price was not the primary factor in the vendor selection process, the commitment has been rescinded in full and USAC will seek recovery of any improperly disbursed funds from the applicant.

Funding Request Number: 2071655
 Services Ordered: INTERNET ACCESS
 SPIN: 143022659
 Service Provider Name: A New Vision in Educational Services &
 Contract Number: 03-16052513-10
 Billing Account Number: 03-16052513
 Site Identifier: 16052522
 Original Funding Commitment: \$18,261.00
 Commitment Adjustment Amount: \$18,261.00
 Adjusted Funding Commitment: \$0.00
 Funds Disbursed to Date: \$18,261.00
 Funds to be Recovered from Applicant: \$18,261.00
 Funding Commitment Adjustment Explanation:

During an audit it has been determined that this funding commitment must be rescinded in full. The auditors reviewed the Beneficiarys competitive bidding documentation and determined all bids were not carefully considered using price as the primary factor. FCC rules require that price of the eligible goods and services must be the primary factor in evaluating bids. Applicants may also take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. The Beneficiarys bid evaluation provided during the audit assigned scores for the cost factor based on actual prices and whether the bidders conducted site visits to the various library locations. While applicants may take factors other than price into consideration, the other factors should not be included in the same category as price. The Beneficiary did not utilize a different category than price to score site visits and, therefore, price was not the primary factor when selecting the winning service provider. In addition, two of the bidders appeared to have conducted site visits to the Beneficiarys locations as indicated on the Beneficiarys bid evaluation provided during the audit. However, site visits were not listed as a requirement on the Beneficiarys FCC Form 470 or RFP. Since the Beneficiary failed to state site visits were a requirement on the FCC Form 470 or RFP, the Beneficiary cannot use this criterion to disqualify bidders in its vendor selection evaluation. Since price was not the primary factor in the vendor selection process, the commitment has been rescinded in full and USAC will seek recovery of any improperly disbursed funds from the applicant.

Exhibit D

Bid Evaluation Matrix
Biblioteca Abelardo Díaz Alfaro



INSTITUTO DE ESTADÍSTICA DE LA UNIVERSIDAD DE CHILE
 LAZARILLO VIALA, CORRIENTE 24
 890 Juncal, Ciudad Nueva

**TE DEPARTEAMENTO DE
EXPANSÃO E VENDA COMERCIAL**
Rua Joo Cabral Ayres, 88

Total	100
-------	-----

Plan. Miguel A. Cruz Matos

Especialista Sistemas de Información / Directora Programa Servicios Educativos

Gerente División de Planificación y Presupuesto

San Juan, Capital City
Family and Community Department
Educational and Technological Services Program
Evaluation and Selection Criterion for E-Rate Proposal 2010-2011, established by Universal Service Administrative Company (USAC)

USAC established Criterion	Points	Ed-Net	Points	NEVESEM, INC.	Points	HITNET	Points
1. Cost Effective (It will be chosen the most cost effective proposal. Price should be the principal factor in the selection.)	30	SLD (School/Libraries Division): \$1,310,066.40 Municipality 10% : \$131,066.40 • Visited Centers & Libraries last year.	10	SLD (School/Libraries Division): \$108,949.00 Municipality 10%: \$ 10,894.90 • Physically visited Centers & Libraries taking into consideration the structure, verifying installations and available actual technology. • Sufficient Wide Band to address our necessities at reasonable price.	30	SLD (School/Libraries Division): \$142,710.00 Municipality 10%: \$14,271.00 • There is no evidence of visits to Centers & Libraries. • Wide band is sufficient to address our necessities at reasonable price.	20
2. Personnel Qualifications	20	• They have certified personnel in <u>Technological Areas</u> .	15	• They have certified personnel in <u>Technological and Educational Areas</u> .	15	• They have certified personnel in <u>Technological Areas</u> .	15
3. Managerial Capacity	10	• Administrative knowledge and Certified Technical personnel. • Specialization in everything related to E-rate project.	9	• Administrative Knowledge and Certified Technical personnel. • Specialization in everything related to E-rate project. • Collaboration in the development, implementation & maintenance of our Technological Plan and in the accomplishment of all the requisites of the E-rate project.	10	• Administrative knowledge and Certified Technical Personnel. • Specialization in everything related to E-rate project. • Counseling in answering SLD questions. • Collaboration in the development, implantation & maintenance of our Technological Plan and the accomplishment of all requisites of the E-rate project.	10
4. Availability	5	• Available 24/7	5	• Available 24/7.	5	• Available 24/7.	5
5. Experience	25	• Experience in Support Services & Technological Infrastructure. • It could not be determined amount of years of experience.	10	• More than 15 years serving the Educational System in Puerto Rico. • More than 10 years as an E-rate supplier (Development of Infrastructure of Telecommunications & Internet). • 99% achievement in reimbursement of the phone bill.	25	• More than 10 years as a supplier of the E-rate project in Puerto Rico (Developing a Telecommunications & Internet Infrastructure).	15
6. Additional Benefits	5	• Do not present Educational products. • Do not present how Technical problems will be solved. • Promised verbally, not in proposal, a tutor, teacher &/or student for each Center. • Offered Intranet Services & Internet training.	4	• Contingency Plan of two (2) lines (Primary & back-up), in case one fails. • Oceanic Data Base & Book's Cataloguing System (Mandarin/Destiny). • New products in Edu-Platform (Academic Monitoring). • Help desk, Technical assistance 24/7. • Monitoring of lines to ensure quality service. • Monthly preventive visits to detect any problems. • Bibliotecology Consultation. • Catalogue & pages in line.	5	• Training to teachers, librarians & parents. • Digital Advertising. • Educational Channel (HITN). • Support Educational Programs & tutoring. • Mobile Laboratories. • Education at a Distance. • Content filters in the Internet Web Sense, which complies 100% with Federal Law, Children Internet Protection Act (CIPA).	5
7. Local Vendor	5	• Municipality of Juncos depends on Corporate Telephone for Technical Support and Connectivity.	3	• Bo. Quebrada Arenas, San Juan	5	• Puerta de Tierra- NY	3
TOTAL	100	TOTAL	56	TOTAL	95	TOTAL	73

Exhibit E

Guidelines of Bidding Process 2010-2011

Biblioteca Abelardo Díaz Alfaro

Guidelines of Bidding Process 2010-2011

1. Cost Effective Criterion

- Evidence of Certification in USAC
- Evidence of being able to provide service
- Services per-cost offered in proposal
- Quality of service vs. cost
- Wide band
- Exact visit & evaluation of the centers in the service quotation

2. Personnel Qualifications Criterion

- Personnel with Educative knowledge
- Response time from the personnel
- Certified personnel in technological areas
- Personnel with knowledge of E-rate proposal

3. Managerial Capacity Criterion

- Administrative knowledge of E-rate proposal
- Capacity for invoicing the Municipality

4. Availability

- 24/7 Situation Response

Guidelines of Bidding Process 2010-2011

5. Experience

- Years of experience in Educative service
- Years of experience with E-rate proposals
- Years offering Technological services
- Telecommunications knowledge
- Experience in offering services to Municipalities

6. Added-value Criterion

- Benefits

7. Local Vendor Criterion

- Operating office available within area of service

**Guidelines of Bidding Process
2010-2011**

1 .Criterios de Costo Efectividad	Valor	Ed-Net	Nevesem, Inc	HITNET
Evidencia de certificación en USAC	5	5	5	0
Evidencia de poder brindar el servicio	5	0	5	5
Servicios por costo ofrecidos en propuesta	5	0	5	5
Calidad de servicio vs costo	5	0	5	5
Ancho de Banda	5	0	5	5
Evaluación de los centros real que proporciona exactitud en la cotización del servicio	5	5	5	0
Total	30	10	30	20

2. Criterios Cualificaciones del Personal	Valor	Ed-Net	Nevesem, Inc	HITNET
Personal con conocimiento educativo	5	2	3	2
Tiempo de respuesta del personal	5	3	2	3
Personal Certificado en áreas tecnológicas	5	5	5	5
Personal con conocimiento de la Propuesta E-rate	5	5	5	5
Total	20	15	15	15

3. Criterios Capacidad Gerencial y Técnica	Valor	Ed-Net	Nevesem, Inc	HITNET
Conocimiento administrativo de la propuesta E-rate	5	5	5	5
Capacidad de facturar al Municipio	5	4	5	5
Total	10	9	10	10

4. Disponibilidad	Valor	Ed-Net	Nevesem, Inc	HITNET
Respuesta ante situaciones 24/7	5	5	5	5
Total	5	5	5	5

5. Experiencia	Valor	Ed-Net	Nevesem, Inc	HITNET
Años de experiencia en el servicio educativo	5	0	5	0
Años de experiencia en propuesta E-rate	5	2	5	5

**Guidelines of Bidding Process
2010-2011**

Años brindadndo servicio tecnológico	5	2	5	5
Conocimiento en telecomunicaciones	5	1	5	5
Experiencia brindando servicio a Municipios	5	5	5	0
Total	25	10	25	15

6. Criterios Valor Añadido	Valor	Ed-Net	Nevesem, Inc	HITNET
Beneficios	5	4	5	5
Total	5	4	5	5

7. Local Vendor	Valor	Ed-Net	Nevesem, Inc	HITNET
Tienen oficina de operaciones en el área de servicio	5	3	5	3
Total	5	3	5	3

Total	100	56	95	73
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Exhibit F

Hispanic Information and Telecommunications Network's (HitNet) Cost Proposal

Annex C

HITNet - Year 13, 2010-2011 Price List: Proposed for New Regular, School with Interactive Video System
90% E-Rate Discount for Schools
Polycom--Systema Educativo de San Juan

Service	Description	Monthly	One Time Equipment	Installation	Monthly	One Time Equipment	Installation
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Equipment and Internal Connections (EQUIPMENT)

Dell-3424	Dell PowerConnect 3424 Managed 10/100 Ethernet Switch		\$499.00	\$250.00		\$49.90	\$25.00
HITN-Cat5e	Ten (10) Internal Ethernet cable from PC to Internet access Ethernet switch		\$1,250.00			\$125.00	
HITN-CAB-WALL	Connect two buildings with Cat 5E Ethernet Cable (2) Uninterrupted Power Supply (APC Smart UPS 3000) for Internet equipment		\$600.00			\$60.00	
APC-3000	19" Wall mount Rack for equipment and cable management		\$1,250.00	\$99.00		\$125.00	\$9.90
HITN-CAB-WALL	Jumpier Nelscreen 5GT unlimited connection security appliance with Wireless Zones with Antivirus and Deep Inspection. LAN Protection		\$995.00	\$149.00		\$99.50	\$14.90
SEC-NS5GT-121-AV			\$1,380.00	\$995.00		\$138.00	\$99.50
WAN-DIST-7000S	**Video Conference Polycom system VSX 5000		\$3,999.00	\$500.00		\$399.90	\$50.00

Internal Connections Maintenance (EQUIPMENT)

MAIN-GEN-LEV1	Maintenance for MAIN-INT-LEV1: Ethernet Switch, UPS, Rack-Unit Data Center Cabinet, Internal Cabling Maintenance		\$900.00			\$90.00	
MAIN-POL-LEV1	Maintenance for WAN-DIST-5000: Polycom VSX-5000 Videoconference System.		\$400.00			\$40.00	
MAIN-5GT-LEV1	Maintenance for SVC-ND-NS5X: J-Care NextDay Support for NS5X (all NS5/HSC products)		\$130.00			\$13.00	

\$11,403.00
100%

\$1,140.30 \$199.30

Total \$1,339.60

Not Eligible

de suma a la factura

Equipment Year Total

\$2,319.40

****NOTE:** Polycom List price. VSX 5000, related installation and maintenance are 80% Eligible for discount. Resulting in the following costs that the municipality will have to pay:

VSX 5000 Polycom	\$799.80
Installation	\$100.00
Maintenance	\$80.00
Total Not Eligible for funding:	\$979.80

2,319.40 x 25 = \$57,985.00

Annex B

HITNet - Year 13, 2010-2011 Price List: Proposed for New Regular, School with Interactive Video System
Polycom--Systema Educativo de San Juan

90% E-Rate Discount for Schools

Service	Description	Monthly	One Time Equipment	Installation	Monthly	One Time Equipment	Installation
Dedicated Internet Access Services (SERVICE)							
Silver-ISP-Package	High Speed Internet Access via two-way Satellite service. Service includes: Speeds up to 512Kbps / 2Mbps (upload/download). Network based Firewall Security Service with stateful packet inspection and NAT, Network based URL content filtering and 10 web based email accounts.	\$799.00			\$79.90		
L-VSAT-1.8-5W- New Costumer	Monthly lease for integral on-premise Priority 1 equipment which includes 1.8Meter C-Band antenna with Swalt BuclNB and ViaSAT Linkstar receiver (existing customer).	\$449.00			\$44.90		
Enhanced-Mail-Service	10 User eMail Service (POP, IMAP and Web access. Includes integrated Antivirus and AntiSPAM filtering service to block unwanted email and virus infected email)- Per User	\$40.00		\$50.00	\$4.00		
WEB-HOST-Package	Web Hosting - Basic package (300MB disk space, 20GB Monthly transfer, firewall protection service, daily tape backup)	\$60.00		\$50.00	\$5.00		
SEC-FW-IDP-NET	Network based security management and policy creation/enforcement. Intrusion Detection will scan all inbound / outbound traffic for infected computers, malicious traffic, protocol anomalies and dynamically filter traffic. Management of customer premise	\$295.00	\$495.00	\$495.00	\$29.50		\$49.50
Telecommunications Services (SERVICE)							
WAN-DIST-LEM	Satellite Distance Learning Network Service (School/Library to provide Audio/Video content). High speed network for transmission of audio and video content, video conferencing and other distance learning technologies. Package includes 10 hours of usage	\$1,150.00			\$115.00		

\$2,783.00

Monthly

\$3,339.60

100%

Services Yearly Total

\$3,389.10

2,783.00 x 12 = 33,396.00

\$3,389.10 x 25 = \$84,727.50

HITnet

Internet Access 834,900.00

519,450.00

Internet Access

Internet Access

Internet Access

Newcom

Internet Access

Internet Access

Internet Access

Internet Access

Internet Access

Newcom

Internet Access

Internet Access

Internet Access

Internet Access

Internet Access